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Table with exchange rates for various countries including U.S., Canada, France, Germany, etc.

Washington Ties Sudan to Bomb Plot In New York

State Department Set To Include Khartoum On Its Terrorism List

By Irvin Molotsky. WASHINGTON — The United States has evidence that Sudan played a role in the plot to bomb the United Nations and other targets in New York in June, according to a State Department official.



SCHOOLBOOKS AND GUNS — Children rushing past guards Tuesday after the first day of school in Zvornik. In Dobrinja, 12 people were wounded by artillery fire. Page 5.

Record Yen Pushes Tokyo To Spread The Wealth

After Years of Neglect, Japanese Consumers Await Increased Clout

By Steven Brull. TOKYO — The yen soared to a postwar high in Tokyo on Tuesday, increasing pressure on the Japanese government to share some of the currency's strength with the nation's long-neglected consumers.

Armenia's Cruel Choice: Nuclear Risk or Loss of Lake

By Raymond Bonner. MEDZAMAR, Armenia — The choice for Armenians is stark — reactivate a nuclear power plant that has been closed four years for safety reasons or turn to hydroelectric power by draining water from their treasured alpine Lake Sevan, and risk losing the lake.

that carried natural gas into Armenia. To compensate, Armenia has had to rely on a pipeline that goes from Azerbaijan to Georgia. But a spur that reaches into Armenia has been blown up a dozen times in a year and a half, apparently by Azerbaijani guerrillas.

Last winter, people cut down trees and telephone poles and burned books and furniture for heat. Thousands died of cold and starvation.



Kiosk



HOT PROTEST IN TAIPEI — A rightist protester giving water to a colleague after he fainted Tuesday during a hunger strike at the ruling party congress. Page 2.

Diphtheria Hits 50 at a Russian Outpost

Once-Controlled Infectious Diseases Continue to Spread

By Fred Hiatt. MOSCOW — A growing diphtheria outbreak was reported Tuesday to have infected 50 Russian soldiers in a Siberian outpost, as diseases once thought under control continued to resurface in the former Soviet Union.

In South Africa, Blacks' Deadly Taxi War

By Bill Keller. JOHANNESBURG — You could say Elias Mahlangu, who was pulled from his minivan on July 10 and shot through the head with his own pistol, was a casualty of market forces.

Forbidden Fruit Puts Japan and U.S. in Discord

By Timothy Egan. WENATCHEE, Washington — Pampered and protected like nothing else on the American farm, Columbia River apples grown specifically to break a 22-year Japanese trade ban are taking on a hush of red, a few weeks shy of harvest.

Year-Old Scars in Florida From the Great Hurricane

By William Booth and Christina Sherry. MIAMI — A year ago Tuesday, skies over Miami were sunny as a tropical storm moved away from the Cape Verde Islands off West Africa. Few people realized that their lives were about to change forever.

U.S. Tries Again to Bar Demjanjuk

CINCINNATI (Reuters) — The U.S. government made a last-ditch effort Tuesday to prevent John Demjanjuk from returning to the United States, telling a federal court that he had no automatic right to return if Israel freed him.

U.S. Tries Again to Bar Demjanjuk

Mr. Demjanjuk, who has been stripped of his U.S. citizenship, denies being a guard anywhere. A U.S. Court of Appeals in Cincinnati said he should be allowed to return.

Market news section including Dow Jones (Up 7.83), Trib Index (Up 0.30%), and The Dollar exchange rates.

Table with financial data including Dow Jones, Trib Index, and The Dollar exchange rates.

Year-Old Scars in Florida From the Great Hurricane

smashing windows and then blowing apart roofs as terrified families huddled in dark bedrooms — but also became the most costly hurricane in U.S. history, moving across the state and the Gulf of Mexico and into Louisiana.

Year-Old Scars in Florida From the Great Hurricane

The debris, everything from tree branches to whole houses in a 165-square-mile (425-square-kilometer) area, was either placed in landfills, burned or turned into mulch. Dade County might be the best mulched area of the United States.

Year-Old Scars in Florida From the Great Hurricane

It is a paradise for roofers, both good and bad. Scams have abounded. For example, a Miami contractor was charged this month with 118 counts of grand theft, accused of fleeing homeowners out of deposits and failing to complete roofs.

General News: President Clinton tries to cut the burden on business of his health plan. Page 3.

Business/Finance: The AT&T buyout of McCaw creates new winners and losers for investors. Page 11.

Weather: Seven days later, before dawn, the storm that had become a hurricane transformed the physical and emotional landscape of South Florida. Its people are still, literally, picking up pieces of their lives.

Weather: In a few hours, the storm, designated Andrew, not only ravaged entire communities —

Weather: Driving through the landscape changed by the hurricane, one sees a region resilient and in many places reborn. From the six miles of southern Dade County seen covered by new red, white and blue tile roofs.

Despite a modest French rate cut, the franc rose against the Deutsche mark. Page 11.

yen, but by the close in New York it stood at 101.050, down from 101.575 at the end of trading Monday.

Prime Minister Morihiro Hosokawa and his chief economic ministers are to meet Thursday to decide on measures to pass on the benefits of the strong yen to consumers.

Despite a near-20 percent rise against the dollar this year, and a more-than-100 percent gain since 1985, prices paid by Japanese consumers have fallen slowly.

But now, as the yen heads toward the historic threshold of 100 to the dollar, pressure for change is becoming intense.

The greatest pressure for change, though, is

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هكذا من الأصل

South Africans Agree to Return Walvis Bay to Namibia

Compiled by Our Staff From Dispatches

JOHANNESBURG — Pretoria's decision to return Walvis Bay, its last colonial holding in Africa, to Namibia was praised by the Windhoek government but condemned as a sellout by South Africa's white nationalists.

Delegates at South Africa's democracy negotiations adopted a resolution late Monday calling for the only deep-water port on the Namibian coast to be returned to Namibia "as a matter of urgency."

The surrender of Walvis Bay could make Namibia independent of South Africa's railroads and ports.

Until last week, Pretoria had maintained that Walvis Bay would remain part of

South Africa, a stand opposed by the African National Congress and other black parties.

But in an about-face, Foreign Minister P.F. Botha told negotiators: "We agree that Walvis Bay and offshore islands should be returned."

The port, which had been ruled by South Africa since 1910, has been under joint administration since November.

Frank le Roux, spokesman for the Conservative Party, said Tuesday that South Africa's military negotiators, who instructed the government to hand over the bay and several islands to Namibia as soon as possible, did not have the power to order such a decision.

"The negotiating council has no status in this regard," he said.

President Frederik W. de Klerk's National Party government had succumbed to the African National Congress and the South African Communist Party, he charged.

"We condemn it," Mr. le Roux said. "It's a sellout." He charged that the government was "putting in the hands" of the ANC-Communist alliance. His party walked out of the democracy talks last month in protest at April 27 being set for South Africa's first multiracial election.

Negotiators asked "the South African and Namibian governments to meet on an

urgent basis to finalize the incorporation of Walvis Bay and the offshore islands into Namibia at the earliest opportunity."

The decision was the first by the multiracial negotiating forum, rather than the white-dominated Parliament, to substantially alter the shape of South Africa.

The National Party had wanted Walvis Bay incorporated into the Western Cape region in a post-apartheid South Africa. But it was forced to buckle to pressure from black opposition groups at the conference guiding South Africa's transition to black rule.

Foreign Minister Botha said Tuesday that the port's eventual transfer had been

under discussion since Namibian independence three years ago.

Mr. Botha, once reputed to have said Walvis Bay was to South Africa what Alaska was to the United States, said: "We agree that Walvis Bay and the islands should be handed over. Just give us a chance to work out how."

Namibia described the decision as "the moment all Namibians have been waiting for."

Its deputy information minister, Wilfred Emvula, said it hoped to speed up the transfer.

"We are delighted by this news, as will be everyone in Walvis Bay," he added. (Reuters, AFP)

WORLD BRIEFS

Arabs Demand to See Chinese Cargo

DUBAI (Combined Dispatches) — The United Arab Emirates is demanding to check the cargo of a Chinese ship believed to be carrying chemical-weapon materials before allowing transshipment to Iran, shipping sources said Tuesday.

Washington says the cargo ship, the *Yinhe*, is carrying banned chemical weapons additives among its cargo, but Beijing says it has only paper goods, hardware and machine parts on board.

The *Yinhe*, which is being shadowed by U.S. Navy ships, has asked permission to enter a port of the Emirates. Most of the 2,500 containers it is carrying are not bound for Iran. About 500 were destined for unloading in Dubai, and some of these are for transshipment to Iran. (Reuters, AP)

Japan Can't Have Kurils, Russia Says

MOSCOW (AFP) — Prime Minister Viktor S. Chernomyrdin said Tuesday that Russia would "never" return the four main Kuril islands to Japan and asserted that the dispute over them was not an issue, the Interfax news agency reported.

Mr. Chernomyrdin made the pledge to Russians on Iturup Island during a visit to the remote chain, which is inhabited mainly by small numbers of Russian civilians and military personnel and aboriginal Ainu. The four main islands in the Kuril chain north of Japan — given by Communist Russia to Japan in 1875 in exchange for Sakhalin Island — were occupied by Soviet troops at the end of World War II.

Japan, backed in word by the United States and other Western countries, has demanded their return and has been reluctant to extend aid and close cooperation to Moscow until the dispute is resolved. The issue has prevented completion of a peace treaty between Moscow and Tokyo.

Azerbaijanis Said to Flee Armenians

MOSCOW (AFP) — Tens of thousands of Azerbaijanis were reported Tuesday to be fleeing advancing Armenian troops in fighting in southwest Azerbaijan, near the disputed enclave of Nagorno-Karabakh. The death toll was said to be in the hundreds.

The Azerbaijanis mission in Moscow said Armenian forces were at the doors of the towns of Fizuli and Dzhebrail. "There are hundreds of people killed or wounded among the civilian population, and refugees are in the tens of thousands," the mission added.

Foreign Minister Ali Akbar Velayati of Iran was due to arrive Tuesday in Baku, the capital of Azerbaijan, for talks on Tehran's concerns that Azerbaijanis fleeing the war might flood across the border into northern Iran.

2d Kohl Critic Bolts to Rightist Party

BONN (AP) — For the second time this year, a legislator from East Germany belonging to Chancellor Helmut Kohl's party has defected to a rightist nationalist party.

Mathias Ritter, 42, a member of the Thuringia state assembly, said Mr. Kohl's "inability to resolve" Germany's economic problems led to his decision Tuesday to quit the Christian Democrats and join the Republican Party. The Christian Democrats demanded that he resign his seat. Polls have showed about 5 percent of the population would vote in next year's national elections for the Republicans.

Mr. Ritter had lost influence in the party after an investigation found he had been an informer for the East German secret police, the Stasi.

Doctor Backed on Rejecting Smoker

LONDON (Reuters) — A doctor who supports from British health officials Tuesday for having refused to treat a smoker with heart problems who later died. His widow denounced the medical decision, and Harry Elphick, 47, was denied tests for a possible heart bypass operation at Wythenshawe Hospital in Manchester because he was a heavy smoker. Mr. Elphick, who had already suffered one heart attack, stopped smoking so he could have the tests but died Friday, a week before doctors had finally agreed to see him.

"It shouldn't have mattered whether he smoked or not," his widow, Pat Elphick, 43, said. "He should have been given treatment. It is wrong and quite disgusting." Marjorie Nicholson, a spokeswoman for the Freedom Organization for the Right to Enjoy Smoking Tobacco, said her group was talking to lawyers about a possible lawsuit.

Bishops See U.S. 'Plot' in Abortions

MANILA (WP) — In its latest assault on artificial birth control, the Philippines' Roman Catholic Church has come up with a new explanation for the government's family planning program: It's all an American plot.

According to Bishop Teodoro Bacani, a spokesman for the Catholic Bishops Conference of the Philippines, the government birth control program was spawned by U.S. "demographic imperialism." He cited a formerly classified 1974 study by the U.S. National Security Council on global population growth and American interests.

Asked if family planning in the Philippines could be considered a U.S. plot, the Reverend James Reuter, a spokesman for the Catholic Bishops Conference, referred to the study and said, "That's exactly what it implies." He added, "Certainly there is a strong belief in my quarters that the family planning program comes to the Philippines from U.S. AID cooperation with taxpayers' dollars." AID is the acronym for the Agency for International Development. He said the threats involved making new loans contingent on meeting population targets. Fidel V. Ramos, the country's first Protestant president, is trying to revive a family planning program.

STORM: Scars in Florida

Continued from Page 1

by pockets of stagnation and while neighborhoods of squalor, because the hurricane clearly exposed the difference between rich and poor.

"One of the most disturbing things is the disparity, in terms of ethnic and racial differences, in insurance coverage and the reports of underpayments and the consequences for their recovery," said Walter Peacock, a sociologist at Florida International University, who recently surveyed residents on the aftermath of the storm.

The survey found that, while 16 percent of white Dade County residents had no insurance, the numbers for others were higher — 31 percent of Cubans, 34 percent of blacks and more than 44 percent of non-Cuban Hispanics.

Mr. Peacock said those homeowners who lacked insurance face significant difficulty rebuilding, if they rebuild at all.

"There's a lot of people still living in houses that are condemned," he said, "where the hot water comes out of a hose in the back of the house, or two people sleeping on a mattress in a house without windows. I can't tell who is displaced and who is homeless."

"People are still dealing with the hurricane," said Gail Jaffe, a psychotherapist at Alliance for Psychological Services.

When a tropical storm appeared in the Atlantic this month, many Floridians simply went to buy batteries and plywood. But others, at least momentarily, freaked out. The storm never came close.

TRAVEL UPDATE

Kurdish Guerrillas Threaten Resorts

BRUSSELS (Reuters) — A Kurdish separatist group said Tuesday that attacks could be carried out in popular tourist spots such as Bodrum and Izmir in western Turkey as part of the Kurdish separatist struggle.

The National Liberation Front of Kurdistan said in Brussels that tourist spots in western Turkey could be targeted. The group has been kidnapping tourists sporadically in southeastern Turkey, a region where the conflict has become virtually a civil war. It was reported to have taken three more tourists hostage after releasing six. "All tourist spots are in our region of war," a representative said.

He said possible targets could include the resorts at Bodrum and Izmir. "Kurds living in these areas will take action against tourist facilities," he warned. The group said tourists should get their permission before traveling in the southeastern region, where more than 6,000 people have been killed since 1984.

Britain again warned its citizens about danger in southern Egypt after a cruise boat carrying 40 British passengers was fired upon on the Nile. The shooting followed a spate of attacks by Muslim fundamentalists on tourists. (AFP)

BAA, the group in charge of British airports, has signed a contract with British Rail to build an express train link between Heathrow airport and central London. It will cost £500 million pounds (\$440 million). More than 6 million passengers a year are expected to use the train when it starts service in December 1997 after four years of construction. (AFP)

Romanian train drivers declared hunger strikes Tuesday and pressed on with a crippling week's stoppage in defiance of an appeal by President Ion Iliescu to resume work. The strike has brought to a halt rail traffic since Aug. 11. But the president of the railroad, Aurel Dumitrescu, said engineers were returning to work in some places. (Reuters)

The Italian police have stepped up patrols of Pompeii after warnings that the ruins could be an easy target for bombers. "I don't believe we can protect the excavations 100 percent, but we are doing what we can," Pompeii's supervisor, Baldassarre Cotticello, said. He added he was most worried about the outside wall, 3.5 kilometers (about 2 miles) long, which until recently was unprotected and accessible to cars. (Reuters)

TAXI: Warfare on Minivan Wheels

Continued from Page 1

workers who were ordered from their taxi by armed men, investigated about their tribe and political party, forced to lie face down on the ground and shot, one by one, in the back.

"The two main sources of killing in this country are political affiliation and taxi associations," said Samkelo Kumalo, editor of the industry newsletter Taxi Talk. "Sometimes it is impossible to tell which is which."

The taxi industry began as an illicit stepchild of apartheid, and later fell into official favor.

When the white government banished blacks to remote bantustans and black townships, it subsidized buses and trains to deliver the "foreign" sojourners to their jobs in white South Africa.

To protect its transport monopoly and prevent blacks from gaining a permanent economic foothold, the government discouraged black taxis with a welter of daunting regulations.

The government's change of heart was reflected in a 1984 report, which said black businessmen were less likely to be political revolutionaries and called for the relaxation of all measures restricting their development.

Frodded by the increasingly powerful black taxi association, the government legalized the 16-passenger minivan taxis that are now the industry standard, and issued a blizzard of permits. By the end of the decade, the taxi industry was being hailed by one economist as "the flagship of the informal sector."

Taxi drivers took business from the buses and trains by undercutting fares, serving more flexible routes and offering customers the satisfaction of patronizing black business.

The taxi industry, which comprised a few hundred six-seat sedans in the late 1970s, is now estimated at anywhere from 80,000 minivans to nearly twice that many, perhaps half of them unlicensed pirate cabs.

"What's the old saying, 'Have gun, will travel?'" said Daniel J. Rossouw, the chairman of a commission that has been investigating taxi violence since early last year. "The moment you've got a car, if you dare, you travel — no license, no driver test, no insurance."

Only one black South African in 100 owns a car — compared with one out of two whites — so taxis are

indispensable. A squatter camp of a few hundred shacks will have regular taxi service before it has a water tank.

Black taxis pack in riders at designated pickup points, leaving when full and charging a fixed rate. In rush hour they race at speeds that have earned them both a reputation for being suicidal and the nickname Zola Budds, after South Africa's Olympic distance runner.

In South Africa, blacks live by the taxi, and with harrowing regularity, they die by the taxi.

The recession that hit South Africa in 1990 afflicted the taxi industry with rising costs and declining ridership.

In part because of trade sanctions against the apartheid government, a minivan that cost \$10,000 in 1987 costs about \$25,000 today. At the same time, layoffs in industry have meant fewer passengers commuting to work. And community pressures have prevented fares from rising.

To meet their bank payments, taxi owners push their drivers to meet impossible quotas, said Mphikeleli Sibanyoni, an organizer for the fledgling South African Taxi Drivers Union, which has enrolled 9,000 members despite strong owner resistance.

Drivers, who are paid \$250 for a month of 14-to-18-hour days, are encouraged to overload their cabs, ignore speed limits, skip safety inspections, drive weary and yield on ground to competitors, he said.



A LESSON FOR DHAKA PROTESTER — A policeman kicking a student during a clash between pro- and anti-government demonstrators at Ali Kadrasba, a religious school in Dhaka, Bangladesh. At least 12 students were hurt in the violence in the capital.

Olympics or Not, China Jails a Dissident

Compiled by Our Staff From Dispatches

BEIJING — A Beijing court has sentenced a student to three years in prison for activities that promote the democracy movement, a source said Tuesday.

The source said Liao Jian, a graduate student at People's University in Beijing, was sentenced earlier this month for planning activities to mark the anniversary of the 1989 crackdown on the democracy movement.

The sentencing came five weeks before the International Olympic Committee is to decide which city will be host of the 2000 Olympics. China's critics, including U.S. congressmen, have argued that Beijing should not be awarded the games because of its human rights record.

The statement recalled that, as part of the U.S. decision in May to

extend China's most-favored-nation trade status, President Bill Clinton issued an executive order that called on China to respect the rights declaration.

"As part of our dialogue with the Chinese on human rights," the statement said, "Assistant Secretary John Shattuck plans to visit China to review the executive order and our serious concerns about human rights conditions in China."

The sentencing of Mr. Liao, a student in the philosophy department, resulted from his arrest in June 1992, along with a friend, Wang Shengli, for distributing 4,000 mimeographed leaflets on Beijing University campus.

The leaflets called for teachers

and students to wear white shirts and black armbands in memory of those killed during the crackdown and to petition the government for political reform. White is the traditional color of mourning in China.

The two also hung a banner from a dormitory that read, "We have not forgotten June 4."

Mr. Wang, who had just received his master's degree in philosophy from People's University, was arrested with Mr. Liao and charged with the same crimes. He was released in May.

As part of Beijing's bid to be host of the 2000 Olympics, China has granted early releases to several prominent dissidents and Catholic clergy this year. (AP, Reuters)

Paris Protest Is Planned On African's Drowning

PARIS — Two anti-racist groups called Tuesday for an investigation into the death of an African who jumped into the Seine to escape an identity check and drowned. The movements said they would stage a protest rally on Wednesday at the Pont Neuf, the bridge where the incident took place.

Reports said the unnamed man could only produce a photocopy of his documents and jumped into the river when police asked him to come to the police station. The photocopy the man produced was of a provisional French residence permit identifying him as a Zaire-born Angolan named Andre Nkala, 29.

Leader Averts Rift in Taipei Party

TAIPEI — President Lee Teng-hui intervened to avert another split in his ruling Nationalist Party on Tuesday by pushing through a key internal change demanded by party rebels.

Mr. Lee, who is also party chairman, made an unscheduled appearance before about 1,500 delegates at the party's 14th congress to persuade them to approve a motion creating the post of deputy chairman.

The congress, which had rejected the motion earlier in the day during a stormy session in which delegates screamed insults and came to blows, passed it by acclamation after Mr. Lee's appeal.

Hundreds of dissident delegates, who want to use the vice chairmanship as a power base, had threatened a walkout if the action was blocked.

"I believe future party chairmen will take into

Seoul Is Investigating 2 Presidents

SEOUL — Government investigators said Tuesday that they had asked two former presidents to answer questions on their role in questionable military arms purchases and construction projects.

It was the latest step in the anti-corruption drive by President Kim Young Sam and marked the first time that any former president had been asked to cooperate with investigators connected with possible official misconduct.

Hwang Young Ha, a senior inspector at the Board of Audits and Inspections, said former Presidents Chun Doo Hwan and Roh Tae Woo had been sent questionnaires and asked to return them next week. It was not clear whether they would cooperate.

There has been no evidence that either Mr. Roh or Mr. Chun themselves received kickbacks or payoffs in office, but Mr. Kim's campaign has resulted in the arrest, firing or disciplinary action against more than 3,000 business, government and military officials.

Mr. Roh, president from 1988 until this February, has been asked about the 1991 decision to buy 120 F-

consideration party unity and harmony as well as domestic political stability when nominating their vice-chairmen." Mr. Lee told delegates.

The congress also approved changes designed to make the party more democratic and heal deep divisions that threaten its grip on power.

It decided to introduce elections for at least 16 members of the party's 31-member central standing committee. Previously, all members were nominated by the chairman and confirmed by the party.

The Kuomintang leadership, which faces local government elections in November, is trying to quiet the most serious dissent in its ranks since the loss of the Chinese civil war in 1949.

Party rebels accuse Mr. Lee of delays on reform and failing to stamp out corruption. Last week a group of legislators broke away to form their own party — the first formal split in the Kuomintang in four decades.

16 fighters from General Dynamics Corp. instead of the F-18 from McDonnell Douglas that previously had been agreed upon, officials said.

There have been allegations that bribery and kickbacks were involved in the reversal of the decision, which went against the recommendation of the air force.

Mr. Chun, who took over as president in 1980 and preceded Mr. Roh, is being questioned on the plan for the construction of a multimillion-dollar "Peace Dam" against possible flood attacks from North Korea, officials said.

Recent reports revealed that the threat of such an attack had been exaggerated and falsified. Construction has been suspended.

Mr. Kim's reforms and investigations of misconduct carried on during past governments have forced dozens of senior military officials to resign.

Last month, former senior military officials, including former air force and navy chiefs of staff and the former defense minister, were arrested on charges of taking bribes from arms dealers.

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OVERHEARD

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STATESIDE / ADDRESSING A PROBLEM

★ POLITICAL VOICES ★

A Blue-Sky Try to Cut Federal Red Tape

WASHINGTON — In the offices that serve as the headquarters for Vice President Al Gore's crusade to bring badly needed efficiency and economy to the federal government hangs a quotation from the former plant manager of a Communist-era Soviet machine tool factory.

"I can't stand this proliferation of paperwork. It's easier to fight the forms. You've got to kill the people producing them."

What a haunting thought! It almost certainly was shared by the federal worker who wrote to Mr. Gore complaining that 23 people had to sign 23 forms before she was able to get a personal computer for her desk.

Similar horror stories about government inefficiency are piling up at the rate of 2,000 a week at Mr. Gore's National Performance Review panel, which occupies rented space above President Bill Clinton's favorite downtown McDonald's restaurant.

The initiative — also known as RIGG, jargon speak for "reinvigorating government" — has become something of a nationwide suggestion box for federal employees. It's overflowing.

There are the predictable ones — the Justice Department paying \$40 to a landscaping service to cut the lawns of seized homes in Atlanta when local contractors are willing to do the job for \$10 each; the Defense Department refusing to pay \$30 for meals for an employee who saved \$500 on air fare by staying over a Saturday night on a business trip.

But achieving small economies is not what really inspires the 200 denizens of the RIGG office. Their quest is nothing less than remaking the federal government in the image of the nation's most successful private businesses. The enterprise is under orders to produce recommendations by mid-September.

In the government of Mr. Gore's vision, if the manager of a post office can find a more efficient way to sell stamps or sort packages, he should be able to carry out his ideas without going through a dozen layers of bureaucracy.

The idea, says Bob Stone, project director for the National Performance Review, is for government to put the customer — not the rule book — first. (LAT)

For the President, a Little Time in Little Rock

SPRINGDALE, Arkansas — A vacationing Mr. Clinton returned to Arkansas for a brief vacation stay and was welcomed by a cheering crowd of hundreds. "It's wonderful to be home," he said.

One woman who greeted the president wore a T-shirt reading, "The Mice in Little Rock Are Nothing Compared With the Rats in D.C." A laughing Mr. Clinton said, "I love it, I love that T-shirt."

Asked what he planned to do during his two-day stay, he said: "Rest, talk to people, have a good time." He flew here from Tulsa, Oklahoma, where he addressed the National Governors' Association.

Mr. Clinton is spending two nights at the waterfront home of his longtime friends Jim and Diane Blair on Beaver Lake near Springdale in northwestern Arkansas. He plans to return to Washington on Wednesday and then start an 11-day stay on Martha's Vineyard, off the coast of Massachusetts. (AP)

For Senators, Political Action Folks Pay 25%

WASHINGTON — Money from special-interest political action committees accounted for almost 25 percent of the nearly \$25 million raised during the first half of the year for 1994's 34 Senate races, campaign finance reports show.

Daniel Patrick Moynihan, Democrat of New York, chairman of the Senate Finance Committee, received \$474,027 of the \$6 million doled out by the action groups, more than any other candidate.

Mr. Moynihan's campaign brought in \$767,474 in individual donations and has more than \$1.5 million in cash on hand, according to the Federal Election Commission.

From Jan. 1 through June 30, contributions from individuals accounted for \$17 million, or 69.2 percent of the total raised by the 52 candidates in the races so far, the commission reported. Action committee money totaled \$6 million and represented 24.5 percent of the receipts.

The commission said contributions during the first half of 1993 were running somewhat behind previous years. In the first half of 1989, 43 candidates reported raising \$29.3 million and spending \$9.6 million. Fifty-five Senate campaigns raised \$33.3 million and spent \$10 million during the first six months of 1991. (AP)

Quote / Unquote

"The bottom line is this has to be sold to people who have health insurance if this is to be politically winnable," said David Wilbur, chairman of the Democratic Party. "I think that we can convince people that after year after year of skyrocketing premiums that we can do something to bring down the costs." (NYT)

Away From Politics

● Dr. Jack Kevorkian was charged with assisting a suicide, a felony under a new Michigan law, for his role in the death of a 30-year-old man with amyotrophic lateral sclerosis. The Wayne County prosecutor, John O'Hair, said there were problems with the law, but said he hoped the prosecution would force legal and legislative action to address the question of whether the act should be a crime.

● A kidnapped man was found buried alive after 12 days in a bunker near the Hudson River in New York. Detectives followed two suspects as they hauled more than \$2 million in ransom money from a park and later arrested a longtime employee of the victim — Harvey Weinstein, 68, chairman of the largest U.S. maker of tuxedos — and the employee's brother.

● Less than six hours before Gary Graham was to die by lethal injection, the Texas Court of Criminal Appeals granted him a stay of execution. Graham has been on death row since 1981, when he was convicted of murdering a man during a robbery.

● Sporadic rainstorms in the last week have slowed the already slow retreat of swollen rivers, delaying barge traffic and navigation rechartering on the Mississippi, which actually rose in a few places. A storm that dumped as much as 10 inches of rain in southern Minnesota and northern Iowa sparked flash floods.

● Two pregnant women who were told last month that they had tested positive for the virus that causes AIDS, only to discover that they were HIV-negative, were probably misdiagnosed because of mishandling of their blood specimens at the Brooklyn hospital where they were tested, New York officials said. (AP, NYT, LAT)



DOWN HOME — President Bill Clinton joking with Arkansas police in Fayetteville. He will go to Martha's Vineyard on Wednesday.

Stewart Granger, Action Film Star, Dies

LOS ANGELES — Stewart Granger, 80, the dashing star of such adventure films as "The Great White Hunter" and "King Solomon's Mines," died of cancer Monday in Santa Monica, California.

Born James Lablanche Stewart in London, he started out on the stage. His film debut was in the 1933 British production of "A Southern Maid."

"I hated being called a movie star — it never seemed a very worthwhile thing to be," Mr. Granger said in 1981. Nonetheless, he made more than 60 films in his career, first in Britain and then in the United States.

A British screen idol for the first quarter of his career, Mr. Granger was virtually unknown in the United States until 1950, when he was cast opposite Deborah Kerr as the intrepid explorer Allan Quartermain in "King Solomon's Mines."

By that time, the actor — who was known to his friends as Jimmy Stewart — had been forced to adopt the stage name of Stewart Granger so fans would not confuse him with the American star.

The role of Quartermain, a hunter whose aid Miss Kerr enlists in a search for her missing husband, established Mr. Granger in Hollywood as a swashbuckling leading man. For the next two decades, he stayed in the United States, starring in such adventure classics as the 1953 remake of "The Prisoner of Zenda," "Scarborough Blotch" and "Bean Brummell."

In 1956, he became a U.S. citizen, but he continued to act in Europe as well as in the United States.

Robert M. W. Kempner, 93, Counsel at Nuremberg Trials

Mr. Kempner worked with the team of prosecutors at the Nuremberg trials that followed the Nazi surrender at the end of World War II in Europe, his familiarity with German police methods provided useful insights into the Nazis' own ways.

Pierre Desgraupes, 74, French TV Innovator

Mr. Desgraupes was co-founder of Ciné Colonnes à la Uoe, (Five Columns on the Front Page), an investigative show on state television that first aired in 1959 and ran for a decade.

Diana Holman-Hunt, 79, Art Critic and Memoirist

Ms. Holman-Hunt, 79, art critic and author of memoirs of her artistic family, died Tuesday.

She spent much of her early years in the care of her grandmothers, both well-connected in society and the subject of her first book, "My Grandmothers and I," in 1960.

Her paternal grandmother was the widow of William Holman Hunt, who founded the Pre-Raphaelite Brotherhood in 1848 with his fellow painters John Everett Millais and Dante Gabriel Rossetti.

Clinton Tries to Cut Burden on Business In His Health Plan

By Douglas Jehl
New York Times Service

TULSA, Oklahoma — Appealing for support from the "vital center," President Bill Clinton has put forward the broad outlines of his plan to guarantee health care for all Americans, in part by requiring all employers to provide insurance coverage for their employees.

While Republicans and small-business advocates warned that the plan could result in the loss of millions of jobs, the White House said it intended to ease the burden on employers by recommending that the plan not take full effect for five to seven years.

A senior adviser to Mr. Clinton said the delay would allow the government to use money saved by cost-control measures in the first phase of the plan to subsidize the costs of small and low-wage businesses that otherwise could not afford to buy insurance for their workers. The percentage of payroll costs that employers would be required to pay range from 3.5 percent for the smallest business to 7 percent for larger ones.

"I don't pretend to have all the answers," Mr. Clinton said Monday in his first speech on health care since becoming president, "but I am absolutely sure that this is a problem that America cannot let go, that we cannot walk away from." He said a failure to adopt changes now would send the cost of health care skyrocketing to 19 percent of gross national product by the end of the decade from today's 14 percent, which is already the highest rate in the world.

The details of the White House proposal will not be released until next month, but the sketch presented by Mr. Clinton and his top aides offered the clearest picture yet of his long-promised plan to slash the cost of health care while extending coverage to the 37 million Americans who lack health insurance.

Besides mandating employer-paid insurance, the plan Mr. Clinton discussed would seek to do the following:

- Guarantee health coverage to every American, with people paying "in proportion to what they can afford."
- Develop a system of insurance-buying cooperatives in each state, through which most individuals and businesses would be offered a selection of health plans, enabling small businesses to get better insurance rates than they usually do today.
- Slow the increase in health spending by encouraging competition among health plans and by setting overall health budget ceilings for each state.
- Allow self-employed people to deduct 100 percent of their health insurance costs from taxes instead of the current 25 percent.

Mr. Clinton made it plain in his address to the National Governors' Association on Monday that his effort would seek first to reduce health care costs by revamping the insurance system and reducing government red tape. Only then, his advisers said, would the government require all employers to provide coverage to their employees.

But many crucial questions about the proposal remain unanswered, including which businesses and individuals will receive subsidies to help buy health insurance; how much the subsidies will cost and exactly where all the money will come from; what benefits will be included in the standard insurance package Mr. Clinton said would be offered to all Americans, and how national or state health spending ceilings will be determined and enforced.

In his 45-minute address to the governors, Mr. Clinton also made clear that he had rejected health care alternatives that would have established a Canadian-style system.

By putting the financial burden on employers, Mr. Clinton said, his administration will build on a central feature of the current health care system. He said he regarded the approach as "the fairest way to go." Most of the country's businesses, including nearly all larger ones, already help pay for health insurance for their employees. But some smaller companies and those that pay low wages say they cannot afford it.

Is It Time to Play Taps For Selective Service?

By Guy Gugliotta
Washington Post Service

WASHINGTON — In the old days, a simple notice came in the mail advising young men to report to the local draft board. For much of the past half-century, the threat of being drafted faced every American male on his 18th birthday.

But on June 28 the House of Representatives — virtually unopposed — voted 207 to 202 to end funding for the Selective Service System, the agency that administers the military draft.

If the Senate follows suit, Selective Service will be a memory by Christmas.

"I cannot believe we need this," said Representative Fortney H. (Pete) Stark Jr., Democrat of California, during the floor debate.

"Why would we spend \$30 million a year to get a list of names of the young men who turn 18?" he added. "It stinks."

Actually, it's \$28 million.

Since President Richard Nixon abolished the draft in 1973, Selective Service has merely collected names of 18-year-old men so it can put a draft into effect if necessary. For this it needs 267 full-time employees.

In 1972 it had 8,000.

The rationale for eliminating the agency, as advanced by Mr. Stark and others, is that the Soviet Union is gone and, as illustrated by the Gulf War, the all-volunteer armed forces can handle most any emergency.

Still, the agency has plenty of friends in Congress, who believe, like Representative Gerald B. Solomon, Republican of New York, that "threats to national security and world peace can occur at any moment."

It is therefore a good idea, they say, to have a ready list of able-bodied men, especially when the active-duty armed forces are being reduced because of budget cutbacks and the end of the Cold War.

The assistant director, Lewis C. Brodsky, an army veteran who handles Selective Service's public relations, remains affable in adversity.

"We always say that we know we're never going to be popular," he acknowledged.

Mr. Brodsky is an avid student of Selective Service history and a collector of agency memorabilia. His office displays the glass bowl used in the 1969 Vietnam-era lottery (the one in which Bill Clinton drew number 311).

There are, he said, "plenty of ghosts around here."

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Geneva Talks Stall, With No Progress On Bosnia Division

By Alan Riding
New York Times Service

GENEVA—With a final agreement on the future status of Sarajevo still pending, negotiations to end the Bosnian war turned on Tuesday to defining the borders of the country's future ethnic republics and immediately bogged down in differences between the three parties to the conflict.

Each of the delegations has presented a map showing how it imagines a "fair" partition of the country under a peace accord, but these major disagreements between the Muslims and Serbs over eastern Bosnia and western central Bosnia, and Croats over central Bosnia, "We discussed the maps all day today, but I don't see any progress," said Alija Izetbegovic, the president of Bosnia's Muslim-dominated government. "The basic Bosnian demand is that areas where real genocide took place last year should not be allowed to remain in Serbian hands."

But a Serbian spokesman said Mr. Izetbegovic made "maximalist demands" in a meeting with Radovan Karadzic, leader of the Bosnian Serbs. "The Muslim side claims most of eastern Bosnia and would like to exercise sovereignty there," he added. "From the Serbian point of view, that is unacceptable."

A separate meeting between Mr. Izetbegovic and Mate Boban, leader of the Bosnian Croats, was dominated by the continuing fighting between their forces.—Mr. Izetbegovic charging a new Croatian offensive against Muslims in Mostar, and Mr. Boban accusing Muslims of a massacre of Croatian villagers in central Bosnia.

A United Nations spokesman said the international mediators—the European Community's Lord Owen and the UN envoy, Thorvald Stoltenberg—called for an end to the fighting in central Bosnia where, he said, "people are dying every day as rival forces attempt to change the map on the ground."

After the meeting the three delegations held a joint meeting with the mediators on Tuesday afternoon. The spokesman, John Mills, insisted that the atmosphere was good. "The parties got down to serious discussion and we went some way to explaining the atmosphere we had before these talks were suspended," he said.

Mr. Izetbegovic boycotted the talks for two weeks to protest the Serbian occupation of two strategic mountainous overlooking the Bosnian capital of Sarajevo.

Before the break, the three sides had agreed to form the Union of Bosnia-Herzegovina comprising three autonomous ethnic republics held together by a weak central government, but they had still to negotiate the borders.

When the talks resumed Monday, though, the parties agreed "in principle" to a proposal by the mediators that Sarajevo be demilitarized and placed under interim UN administration.



Radovan Karadzic, left, and Lord Owen, the EC mediator, listening Tuesday at the Geneva talks.

Dole Rebukes Clinton and UN

By Richard L. Berke
New York Times Service

TULSA, Oklahoma — Bob Dole, the Senate Republican leader, sharply accused President Bill Clinton and the United Nations on Tuesday of "standing on the sidelines" while the Serbs gained control of much of Bosnia.

In a speech to the National Governors' Association summer meeting, Mr. Dole said that "if we can't help in any other way," at the very least the United States and its allies should lift the embargo banning the supply of arms to Bosnian forces.

"While the United States hesitates from afar," Mr. Dole said near the end of a speech devoted largely to domestic issues, "the United Nations and the European Community have been engaged in diplomatic hand-wringing." In the meantime, he said, Bosnia "is being gobbled up — defenseless because of an arms embargo which violates the very principles of the UN charter."

Mr. Clinton has said he wants the embargo lifted, but he has failed to convince Western allies to go along with him.

Mr. Dole also took a swipe at the Secretary-General Boutros Boutros Ghali of the UN, saying he "is obsessed about being in charge rather than getting things done."

He went on: "Most recently, he demanded the United States wait for his permission before NATO takes any action in Bosnia. Well, the last time I checked, the American people did not elect Boutros Boutros Ghali to run U.S. foreign policy." Saying that the United States should resist the temptation to "to toss things into his lap," Mr. Dole said the United States must show more leadership.

"There is no substitute for U.S. leadership," he said. "It doesn't mean we must police the world, it doesn't mean we have to send ground troops everywhere. But on the other hand we cannot allow the principles of international law and order to be violated with impunity and watch silently as regional instabilities go unchecked."

Sarajevo: 'Besieged' or Just 'Encircled'?

Compiled by Our Staff From Dispatches

SARAJEVO, Bosnia-Herzegovina — The United Nations chief spokesman here, Lieutenant Commander Barry Frewer, said Tuesday that Sarajevo was no longer under Serbian "siege," but "encircled."

But the Canadian Navy officer said he regretted any pain his remark might have caused.

The vice president of this embattled republic, Ejup Ganic, has asked the United Nations to remove Commander Frewer from the city immediately.

Commander Frewer's statement caused a furor in the Bosnian capital, where thousands of people have been killed.

The commander is to end his assignment as spokesman for the UN on Aug. 29. (Reuters, AFP)

Shells Wound 12 In Sarajevo Suburb

Compiled by Our Staff From Dispatches

SARAJEVO, Bosnia-Herzegovina — A total of 12 people were wounded, 5 of them seriously, when a Sarajevo suburb suddenly came under artillery fire Tuesday evening, witnesses said.

The attack on the Dobrinja area came as local television broadcast a report that the U.S. ambassador, Viktor Jakovic, had visited the suburb earlier in the day.

Several of the casualties occurred when five shells landed in a 30-minute period, while others were hurt by a sixth shell as people tried to aid victims.

Dr. Yousif, the chief doctor in the old town, in Dobrinja, said the shells wounded 12 people, including a child, and killed 28 who had already been wounded four times.

The U.S. ambassador had urged Dobrinja to leave the area. He said that it would be better now, Dr. Hajir said, as the ambassador's team of doctors worked to remove shrapnel from the legs of two men.

Less than an hour after the attack, the streets of Dobrinja were filled with people, many children are on the streets," said Dr. Hajir. "It's summer, you cannot keep them indoors for one and a half years."

Earlier in the day, UN officials voiced concern over the plight of up to 35,000 Muslims trapped with little food or water in the southwestern city of Mostar and were ready to consider an airdrop of food as a last resort.

No aid has reached the Muslim part of Mostar for two months.

Vice President Ejup Ganic described the plight of fellow Muslims in Mostar as "simply terrible" and accused Croats of "ethnic cleansing" in the area.

Up to 35,000 Muslims are living in primitive conditions in the old quarter of the city on the east side of the Neretva River, said Peter Hain, the British Foreign Secretary, who is UN Commissioner for Refugees in Sarajevo.

In Geneva, the UN refugee headquarters said that firm offers from Bosnians had almost doubled overnight, to 1,250.

Assured of hospital beds abroad for urgent cases, the UN refugee office faces problems in getting patients out of cities like Mostar, which are cut off by fighting. (Reuters, AP)

Nigerian Leader Vague In Offer to Step Aside

Compiled by Our Staff From Dispatches

LAGOS — Nigeria's military leader, General Ibrahim Babangida, said Tuesday that he had offered to step down after eight years in power, but he did not say whether his military colleagues had accepted his offer.

The cryptic announcement came during a speech to a special joint session of the National Assembly on the direction the nation will follow in the pivotal weeks ahead.

General Babangida has been trying to contain the domestic and international political fallout from his decision to throw out the results of the June 12 presidential election that was to replace his regime with a civilian government.

He has since said that he would form an interim government of soldiers and civilians to take power on Aug. 27, the date he has long promised to return to civilian rule. But he has been cryptic about whether he would head the interim government and was coy about his plans in Tuesday's speech.

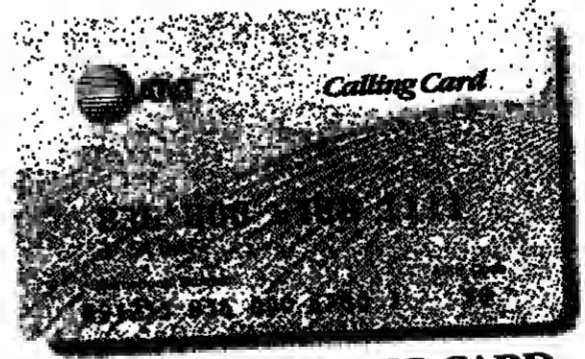
General Babangida's address on his 52d birthday came a day after two new state decrees had outlawed several newspapers, a move that has done little to allay doubts that the transfer of power will take place.

"I think this speech has left us more bewildered," said one legislator, Nze Eke. "We had expected at least," he said, "that the president would tell us why he annulled the results of the June 12 election. He did not do that. He did not tell us what his role will be."

Nigeria was plunged into its worst political crisis in 23 years by the cancellation of the election, widely believed to have been won by Moshood K.O. Abiola, a business tycoon. Nigeria has been politically paralyzed since then.

"I think it's absolute nonsense," said Oluksola Agbakoba, president of the Civil Liberties Organization. "People are very, very angry because it's very clear that he's taking us all for a big, big ride." (AP, Reuters)

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Herald INTERNATIONAL Tribune

Published With The New York Times and The Washington Post

For U.S. Clarity on Bosnia

The Serbs, having broken a cease-fire and driven Muslims off two peaks overlooking Sarajevo, backed off in part under threat of NATO air strikes.

territory they have seized, leaving Muslim Bosnia a land-locked entity of isolated pockets and dividing the multiethnic crown jewel, Sarajevo.

The Hard Sell on Trade

Finally, President Bill Clinton has completed the easy job: negotiating supplemental accords to the North American Free Trade Agreement with Mexico and Canada.

United States a ferocious incentive to bring frivolous charges against Mexican competitors in the outside chance of driving them from the market.

BCCI: Questions Linger

One question, at least, has now been conclusively settled in the murky BCCI case: Robert Altman is not guilty of fraud in BCCI's illegal relationship with First American Bankshares Inc.

positions — none in the United States, but many in Britain and Asia — lost money. Most of the people who could answer questions about that \$12 billion are in Abu Dhabi, where BCCI originated, or other Middle Eastern countries.

Why the Foot-Dragging by Europe's Banks?

By Franco Modigliani and Robert Solow

CAMBRIDGE, Massachusetts — The members of the European Monetary System and much of the rest of Europe have been suffering under a staggering amount of unemployment and the associated waste of billions in potential economic output.

Central bankers needlessly retard recovery by seeking to punish speculators.

plished to put Europe on the way to recovery. What accounts for this puzzling behavior and what does it portend? It is implausible that the central banks actually believe that reducing the current high rates would not contribute to growth; there must be some other explanation.

my — which is overbought by the costs of incorporating its eastern territories — is poison for all the other countries. Sticking to a fixed rate against the Deutsche mark is a recipe for stagnation and unemployment in the rest of Europe, and it does not bode well for the idea of European unity.

person and on television, basking President Clinton and administration policies. His attacks on the Washington establishment feed the anti-incumbent sentiment Republicans hope to exploit next year.

And They Thought They Could Handle Perot ...

By David S. Broder

WASHINGTON — A seemingly casual announcement about Ross Perot's schedule for next month signals a huge flaw in the strategy that Republicans have devised for dealing with the maverick billionaire.



staff to Vice President Dan Quayle, is lobbying Republicans to take a tougher tone. "There's an unwillingness to let the bottom line here, to say that the guy is a demagogue."

Don't Be Fooled by the Chief's 'Moderate' Rhetoric

By Allister Sparks

JOHANNESBURG — It is time Chief Mangosuthu Buthelezi's admirers and financial supporters in the United States woke up to the spoiling role he is playing in South Africa's difficult transition from apartheid to nonracial democracy.

alliance with white extremist parties demanding a secessionist Afrikaner state and threatened to launch a breakthrough constitutional convention with them if he does not get his way — warning that this could be a first step toward civil war.

cern. In a major scandal known as Inkathatheni, it was revealed two years ago that Inkathatheni was secretly subsidized from police funds; for years the KwaZulu Police Force was headed by a seconded officer of the National Intelligence Service; and there have been press disclosures of Inkathatheni members receiving guerrilla training at a secret base in Namibia.

High Stakes For Clinton On NAFTA

By Carla A. Hills

WASHINGTON — Now that the United States, Mexico and Canada have reached supplemental accords to the North American Free Trade Agreement, it is time for President Bill Clinton to come out fighting for congressional approval.

As President Carlos Salinas de Gortari has started to open Mexican borders to foreign-made goods, American entrepreneurs have turned what in 1987 was a \$6 billion trade deficit into a \$6 billion surplus.

GM, for example, will be able to ship cars from Detroit to Monterrey, Mexico, just as it now ships them to Monterrey, California.

International Herald Tribune advertisement with contact information for various offices and a subscription form.

Advertisement for 'IN OUR PAGES: 100, 75 AND 50 YEARS AGO' with historical snippets and a list of featured articles.

Advertisement for '1939: A Mad Bomber?' and '1943: Hot Hiding Place' with historical news items and a '1918: Sealed Lips' snippet.

Vertical text on the right edge of the page, including 'Bosnia. Chris...' and '...of Bitter'.

OPINION

In Bosnia, Christopher Learned Bitter Lessons

By Jim Hoagland

WASHINGTON—For a man of Warren Christopher's iconic temperament and long experience, disillusionment would be too strong a word to describe the experiences of his first seven months as Bill Clinton's secretary of state.



Christopher then did what he had not done in May: He made clear to the European allies that if they failed to see this time, U.S. support for NATO could be seriously affected.

Freddie the Big-Hearted Spy

By Thomas Goltz

AYVALIK, Turkey — The first time I met Freddie Woodruff was under ice. The occasion was a "polar bear" party on New Year's Day, 1985, at a small lake near Ankara.

bound way that he raised his hand, with finger and thumb in a pistol formation to draw attention to the waiter to bring him a glass of water.

MEANWHILE

ment employee, but it was never mentioned and never interfered in anyone's liking or loving the man.

Then came a short report on Turkish television, earlier this past week: An American diplomat had been killed by gunmen outside Thilisi.

LETTERS TO THE EDITOR

Free Trade or Not?

Regarding "ERM, Trade-Who Treats Real People's Problems?" (Aug. 5) by William Pfaff and "Liberal Trade or Else" (Aug. 3) by Peter Sutherland:

wrong business. As Mr. Sutherland said, most new jobs — and the best jobs — come from export industries.

newly created country of Bosnia has been inhabited by Serbs for centuries. Notwithstanding the despicable behavior of Serbian extremists, the Bosnian Serbs are fighting to secure their homeland and out to "conquer" new territory.

Correctly used, the graphology analysis — if containing negative statements — should be given to the candidate for comment.

For the Children's Sake How many more innocent children like Irma Hadzimiratovic will have to take shrapnel in the spinal column before the United Nations will finally call on NATO nations to resist being forcibly incorporated in what they perceive to be a hostile state.

BOOKS

WITHOUT REMORSE. By Tom Clancy. 639 pages. \$24.95. Putnam. Reviewed by Marie Arana-Ward

LET'S get one thing straight right off: No one reads Tom Clancy for his style. Not for the prose pyrotechnics, the earnest Bildungsroman, the most just, the finely tuned character, the universal slice of life.

Reading Into Writing Regarding "You Are What You Write" (Aug. 3): Graphology has a value of minus zero because it is written and filed in one's personal file.

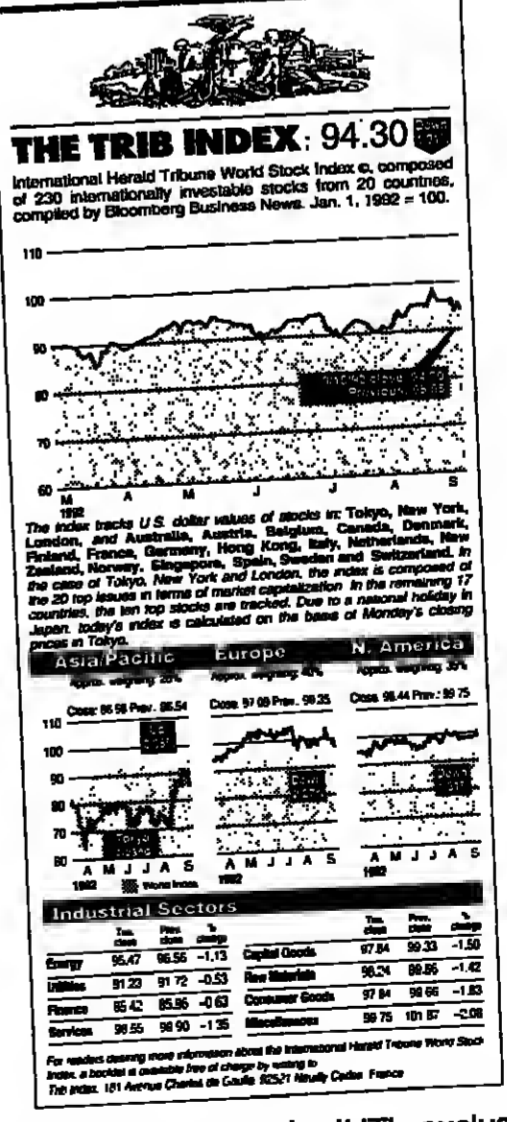
For better or worse, it is the slogan "never again" that drives the Bosnian Serbs. The Serbs can't forget their Holocaust in the Nazi-backed Independent State of Croatia (which included most of Bosnia and Herzegovina). They are motivated by fear.

THE Hani for Red October. "Red Storm Rising." "The Cardinal of the Kremlin." "The Sum of All Fears." But it has some unfamiliar, ill-fitting circuitry as well, and that is where "Without Remorse" falls short of Clancy's norm.

Table with columns for 'BEST SELLERS', 'Fiction', and 'Nonfiction'. Lists various books and their authors, such as 'The Bridges of Madison County' by Robert James Waller.

Dining Out advertisement listing various restaurants in Amsterdam, Paris, Rome, and Vienna, including Brasserie de Roode Lieveu, Le Western, Okagawa, Chez Fred, Da Meo Patacca, La Petite Chaise, and Thoumieux.

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Georgians Arrest Suspect in 'Chance' Death of CIA Agent

By Margaret Shapiro
Washington Post Service

MOSCOW — Officials in the former Soviet republic of Georgia said Tuesday they had arrested a suspect in the murder of a U.S. intelligence official earlier this month and were convinced that the murder had no political overtones.

"This was a chance killing," a senior official of the Georgian Interior Ministry told the Georgian radio. "No one knew whom they were shooting at, how they were shooting, but the fact remains, a crime was committed which had a clear international resonance, and for us, of course, this was most undesirable."

The announcement was unlikely to put to rest suspicions that there was more to the Aug. 8 shooting of Fred Woodruff, 45, than was being reported.

Mr. Woodruff was driving with the chief of security for the Georgian leader, Eduard A. Shevardnadze, when a man fired at their car on a stretch of highway about 10 kilometers (6 miles) outside the capital, Tbilisi.

The shot struck Mr. Woodruff in the forehead and killed him. The security chief, Colonel Eldar Gogoladze, and two women passengers were not hurt in the incident. Mr. Gogoladze has been suspended from his job.

Mr. Woodruff was initially identified by the U.S. Embassy in Georgia as a diplomat on temporary summer duty in the violence-prone republic. Soon after, however, officials in Washington revealed that he was a CIA employee, working with the Georgian government to improve security around Mr. Shevardnadze.

Georgia has been racked by separatist rebellions and civil strife since the Soviet Union collapsed, making the republic one of the most lawless in the region. Gun-toting men walk the streets, and highway robbery has become common. There have been several attempts on Mr. Shevardnadze's life.

Some reports in Washington have suggested that other U.S. officials may also have been sent to Georgia to help Mr. Shevardnadze's government. He served under the Soviet leader, Mikhail S. Gorbachev, as foreign minister. The CIA chief, R. James Woolsey Jr., interrupted a trip to Moscow last week to fly to Tbilisi to collect Mr. Woodruff's body.

The deputy Georgian interior minister, Mikhail Otsidze, declined Tuesday to identify the suspect in Mr. Woodruff's killing, but he said that officials were certain that Mr. Woodruff's CIA assignment had played no role. Instead, he said, the suspect was attempting to rob the car and did not intend to kill anyone.

Officials have described the highway on which Mr. Woodruff was traveling as one prone to bandit attacks.

Mr. Otsidze said the gunman did not know who was in the four-wheeled vehicle as it sped by and fired a small-caliber Kalashnikov assault rifle in an attempt to frighten the driver into stopping. Some earlier reports had said the vehicle's license plate identified it as a government vehicle. Mr. Otsidze did not comment on this.

"This was one single shot," he said, in an interview with Reuters in Tbilisi.



A crew removing rubbish from a Moscow market site. Poor sanitation has been cited as a factor in the rise of infectious disease rates.

Gun Alert on 747 Over the Atlantic

LONDON — A British man was arrested Tuesday after a midair gun alert aboard a Continental Airlines Boeing 747 over the North Atlantic, the police said.

Passengers on the flight said the man had apparently told a stewardess he had a gun and demanded that she take him to the cockpit of the jumbo jet, flying from Houston to London's Gatwick Airport. The stewardess refused, the passengers said.

But a spokesman for Continental said that there had been a "communications problem" between a crew member and a passenger and that there had been no one on board the flight with a gun.

RUSSIA: Diphtheria Hits 50 in Siberia as Infectious-Disease Rates Rise

Continued from Page 1

and shortages of essential supplies." The recent spread of infectious diseases appears to confirm these fears. The rate of diphtheria infection has increased more than 10-fold in the last four years, with more than 100 people dying of the disease this year alone in Russia, officials said.

The State Committee for Emergencies reported Tuesday that 50 soldiers in Abakan, in southern Siberia not too far from Mongolia, were either carrying or suffering from diphtheria. The highly infectious disease, which is preventable with a safe vaccine, usually shows up first in the tonsils or throat but can cause nausea, fever, headache and even heart failure and sudden death.

Officials said the military unit in Abakan has been placed in quarantine.

One British tourist agency has announced that it is suspending trips to Russia because of the diphtheria outbreak.

Similarly, 17 cases of cholera have been reported in July and August alone in Russia, Anatoli Monisov, the nation's deputy chief epidemiologist, said at a news conference last week. In all of 1991, only two cases were reported, and there were five in 1992.

This summer, cholera has been found in Makhachkala in the Caucasus, Nizhny Novgorod on the Volga River, Krasnodar, Naberezhnyye Chelny and Moscow. Past cases were confined to travelers returning from India and other infected areas, and the growth in cholera in Russia may be partly attributable to increasingly free travel.

But for the first time, at least two of the Russian victims appear to be home-grown. Mr. Monisov said, including a Moscow vagrant and a fisherman who drank unboiled water.

Cholera, against which there is no highly effective vaccine, causes digestive disease and rapid dehydration. Treatment is simple — rehydration — but in the absence of treatment the disease is often fatal, especially in the developing world.

Russian news agencies also reported that 71 people in the southern Altai region had been stricken with anthrax after eating infected meat. Typhoid fever reportedly killed 106 people in Volgograd, due to contaminated water supplies. And a woman in Kazakhstan was reported to have been hospitalized with bubonic plague.

An American official of the International Finance Corp., Roberta Feldman, who is assisting the privatization process in Ukraine, also may have contracted the plague. The disease caused enormous numbers of deaths in medieval times but is now treatable with antibiotics. She said that World Bank doctors in Washington believe her illness was the plague but that the diagnosis has not been confirmed.

ARMENIA: Cruel Power Choices

Continued from Page 1

not easy being an environmentalist in Armenia at a time like this.

"When you're talking to someone who is freezing and starving, there's not much hope in talking about ecology."

Already much of Lake Sevan's fauna and flora have disappeared, and a speckled trout native to the lake, the tshik, is on the verge of extinction. Thirty years ago, tshik accounted for 95 percent of the fish caught there. Now, they make up barely 1 percent, Mr. Sanasarian said.

But this is not another environmental cry to save the habitat of a small animal species.

"If there is no Sevan, there will be no drinking water, no Armenia," said Yuni Abovian, director of the division of strategic use of natural resources in the Ministry of Nature and Environmental Protection.

Water from Lake Sevan seeps into underground streams and these supply the water for the wells from which Armenians draw their drinking water. Water from the lake is also vital for irrigation.

Mr. Abovian, a geophysicist who has worked on environmental issues for 20 years, shares Mr. Sanasarian's alarm about Lake Sevan, which he called one of the most important bodies of water in the Caucasus. So does Mr. Tashjian, who said that the government draws water from the lake for hydroelectric power only in times of "extreme distress," like last winter.

Where they disagree is whether to save the lake by starting the nuclear power plant.

The plant's two units came on line in 1976 and 1980, and they generate 25 percent of Armenia's electrical needs in normal times, 50 percent in an emergency.

The plant was closed in January 1989 "for security reasons" after a major earthquake nearby. Two years ago, parliament approved a law requiring a referendum before the plant can be reopened.

In April, that law was repealed by a vote of 136 to 22.

The government is now proceeding with plans to reopen one of the plant's two units next year, Mr. Tashjian said. Washington does not think the nuclear plant should be reopened.

Asked about American objections, Mr. Tashjian, who has a master's degree in nuclear engineering from the University of Southern California and was an executive with Southern California Edison for 21 years, said: "The nuclear power plants in the Soviet system were not built to Western standards."

He added that there were 16 nuclear plants like Armenia's in Eastern Europe and the former Soviet Union and that 10 had operated "without significant incidents." Finally, he said, more work was being done on the plant to make it "more earthquake resistant."

Mr. Sanasarian, who has a doctorate in biochemistry from Moscow University, is leading the opposition to the plant. It is a lonely fight. If there were a referendum, Armenians would probably vote in favor of opening the plant, Mr. Sanasarian said ruefully.

"People vote with their stomachs," he said. "The strongest supporters of ecological issues are those who live in stable societies and have the luxury to think about them."

For Mr. Sanasarian, the choice between the power plant and Lake Sevan is a painful one.

"If I have to choose between the two — the lake and the power plant — I'd have to choose not to open the plant," he said. "Because that's a matter of life and death."

Plot to Run Guns Foiled by Panama

PANAMA CITY — Panama has confirmed that arms traffickers tried to ship weapons and ammunition from the Czech Republic and Austria to Bosnia-Herzegovina using Panama as a bogus destination.

A government commission called the affair a "disgraceful scandal" and gave details of the attempted purchase of 26,800 machine guns, 128,000 cartridge magazines, 5,000 pistols and 17 million bullets — worth more than \$21 million — earlier this year.

But the report, which was issued Monday after a two-week investigation in the Czech Republic, Panama and Spain, stopped short of giving names. "It will be up to the relevant Panamanian authorities to decide the level of responsibility of Panamanian citizens involved in this disgraceful scandal," the report said.

Bosnia Crisis Leaves U.S. Fuzzy on Asia

By Steven A. Holmes
New York Times Service

WASHINGTON — Although the Clinton administration is working to forge security and trade links to Asia, State Department officials and Asian leaders concede that problems in Bosnia and the Midwest are making it difficult for Washington to keep its gaze focused across the Pacific.

As if to underscore the point, two days after Secretary of State Warren M. Christopher said on a trip to Singapore that Asia had gained "primacy" in U.S. foreign policy, he had to cut short his trip and rush home to deal with the violence in southern Lebanon and the siege of Sarajevo.

"If you're not a crisis area, if you're good guys, then you're put on the back burner in official Washington," said Tommy T.B. Koh, Singapore's ambassador at large, and its former ambassador to the United States. "It doesn't mean that you're not important."

So far, the arrangements are loose, informal, and in the Asian tradition, evolving slowly. Efforts are being made to build the links through existing, though loosely organized, groups.

"The Asian preference, unlike the Western preference, is to take a very nonlegalistic approach to things," said Mr. Koh. "We take actions step by step and allow things to evolve, rather than sit down and say, a priori, we want to create an institution, this is our charter, this is our mission statement."

One of the more solid plans is for the first Pan-Pacific summit meeting, planned for November in Seoul. It would bring together the heads of state of members of Asia Pacific Economic Cooperation, known as APEC.

The organization, established in 1989, includes Australia, Brunei, Canada, China, Hong Kong, Indonesia, Japan, Malaysia, New Zealand, the Philippines, Singapore, South Korea, Taiwan, Thailand, and the United States.

Strengthening this grouping and another, the ASEAN Regional Security Forum, was a major focus of discussions by Mr. Christopher and Pacific Basin leaders in Singapore in conjunction with the annual meeting of the Association of South East Asian Nations, known as ASEAN.

At a news conference last week, a former vice president, Walter F. Mondale, the new ambassador to Japan, said that the administration was also trying to fit U.S.-Japan relations into a regional structure. While calling this relationship "the key, the core," he said "we're trying to broaden the focus to include more vigorous approach to regional mutual concerns and to regions that cross the whole Asian Pacific region through APEC."

The idea of regional groups is also being pushed by Asian leaders who fear that the United States will scale back its military presence, leaving a worrisome vacuum.

To increase stability in the region so that economic ties can grow, the leaders are discussing the establishment of a regional security structure, similar to the Conference on Security and Cooperation in Europe, as ASEAN.

For the Clinton administration, the focus on Asia goes beyond a normal diplomatic desire to head off any potential problems in what is now a relatively stable region.

INTERNATIONAL CLASSIFIED

TODAY'S BUSINESS MESSAGE CENTER

Appears on Page 4

PERSONALS

ILLIAN PANAGAKOS - Sorry I was late to see you. It's lovely & sunny, no clouds about to solve the pain. Hope you had a good trip. Love, Joan. MAGAU VALABERGE. 14101e, Toulouse.

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Year of the Russians at Lucerne

By David Stevens
International Herald Tribune

LUCERNE, Switzerland — This venerable and still relatively small-scale festival holds a place of honor in which it is now an overcrowded field. It began in 1938 as a haven for musicians who could not, or would not, perform under fascist auspices...

Swiss Festival Orchestra under the solid direction of Neeme Järvi, got things off on the right foot with Schmittke's Viola Concerto and Yuri Beshmet, who commissioned the work...

In an 12-hour marathon, a pack of pianists played all the solo piano music of Rachmaninoff

ceived, and which could have been brought off only by a festival. This was a day devoted to the entire solo piano music of Sergei Rachmaninoff, with a set of two-piano music thrown in for good measure...

LONDON THEATER

Two Hand-Me-Down Dreamcoats

By Sheridan Morley
International Herald Tribune

LONDON — "Joseph" and that bloody "Technicolor" Dreamcoat, followed holly as it was by "Jesus Christ Superstar," has a lot to answer for. Indeed, it could have been argued, had Tim Rice and Andrew Lloyd Webber not progressed to the vastly better "Evita," that what they had done was not to much revive the stage musical as kill it stone dead...



Andy Crane in "Godspell."

Late in the '60s or early in the '70s that theater lost, either by death or retirement, Noël Coward, Lerner and Loewe, and Rodgers and Hammerstein, and a kind of producer-panic set in. In the midst of this, the success of "Joseph" and "Jesus" seemed to offer an alternative: a kind of God-rock-pop...

have been conditioned from old Pat Boone to a team of nimble cheerleaders. A dozen blokes in silver-leather jackets leaping cautiously off a parked car does not constitute choreography in the "Crazy For You" sense...

Beyond Trash: an Edward Wood Revival

By Lloyd Rose
Washington Post Service

WASHINGTON — A most unlikely auteur is about to emerge into mainstream cultural consciousness: Edward D. Wood Jr., known — if he's known at all — as the director of some of the worst films ever made...

some sort of madrigal of filmmaking, several of his movies are included in the Harry and Michael Meyerd "Golden Turkey Awards" books. But his work is too innocent to condemn to reality; it was an idiot punny. In Film Comment, the critic I. Horowitz made a case for Wood — who often preferred women's clothes and toward the end of his life was reduced to writing pornography — as an outsider whose lack of style was so defined as to be a style.

You don't have to agree with Horowitz to find qualities in Wood's work that are traditionally associated with art rather than trash: longing, idealism, sorrow. Wood is almost transcendently inept, but he's not shoddy. Wood's life was like a berserk parody of the struggles of the unappreciated artist. He had the character elements necessary for the successful artist: drive, endurance, obsessionalism, charisma. And he had the personality traits associated with a great director: a bon man's cunning and a hell-with-it recklessness. All he lacked was talent.

He didn't lack it in some subtle, minor way either. His clumsiness and obtuseness and tastelessness are vital, heartfelt. He loved his movies, and they broke his heart.

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Suzy Amis and Ian McKellan in "The Ballad of Little Jo": "She kept up the charade until she died"; inset, "Colonel Victor Barker."

Tale of an Extraordinary 'Cowboy'

By Linda Lee
New York Times Service

NEW YORK — Last year "The Crying Game" had as its secret a woman who turned out to be a man. "Orlando" sketched the life of a character who started out as a man and ended up, four centuries later, a woman. "The Ballad of Little Jo," opening on Wednesday in New York, is inspired by the story of Josephine Monaghan, who, in order to better herself, lived as a man in the 1800s...

Women assuming male identities is a phenomenon that died out in the 1920s and '30s, according to Julie Wheelwright, the author of "Amazones and Military Maids," a study of female cross-dressing. "Very often it was a pattern of women in working-class occupations who would take on male attributes to further their careers," she says.

Among the women described in Wheelwright's book are Emma Edmonds, who claimed that a novel, "Fanny Campbell, or the Female Pirate Captain," encouraged her to put on male attire and flee New Brunswick, Canada, at the age of 19. Under the name Frank Thompson, she enlisted on the Union side in the Civil War. In 1865 she published an autobiography, "Nurse and Spy in the Union Army."

Failed Singer Is Hit as Playwright

By James F. Clarity
New York Times Service

DUBLIN — While Brian Friel is still the king of living Irish playwrights, one of the dauphins is Billy Roche, 44, a failed pop singer and band leader turned actor and writer. Roche, whose "Cavaladers" is a hit at the Peacock Theatre here, is Ireland's hottest new playwright. His reputation is rising rapidly in Dublin after his plays, depicting love and lust and laughter among working-class people in his hometown of Wexford, were ignored here for years while London was gradually discovering and lionizing him.

Friel's new play, "Wonderful Tennessee," is filling the 628-seat Abbey, Ireland's national theater, most nights and is scheduled to move to Broadway in October, even though it received mixed reviews. Just around the corner from the Abbey, "The Cavaladers," Roche's fifth play, in which he acts and sings his own deliberately mediocre pop songs, is packing the 158-seat Peacock. In recent weeks, three of his plays have been shown on BBC television, and the BBC has commissioned him to write at least five 50-minute screenplays.



Billy Roche

ing, Roche recalled working in his father's pub as a young man, then leading the Roach Band, which played his own "punk-pop" songs in the 1970s. "Out of sheer frustration," he said in an interview, he wrote a novel, "Tumbling Down," published by Wolfhound Press in 1986. "In 1981," he said, "I was brave enough to wake up one morning and declare that I was a writer. That I was no longer a singer."

down several years before and pinned to a wall. Eventually the Bush put on three of his plays, staged by a Scottish director, Robin Lefevre, who has directed all his works, under the title "The Wexford Trilogy."

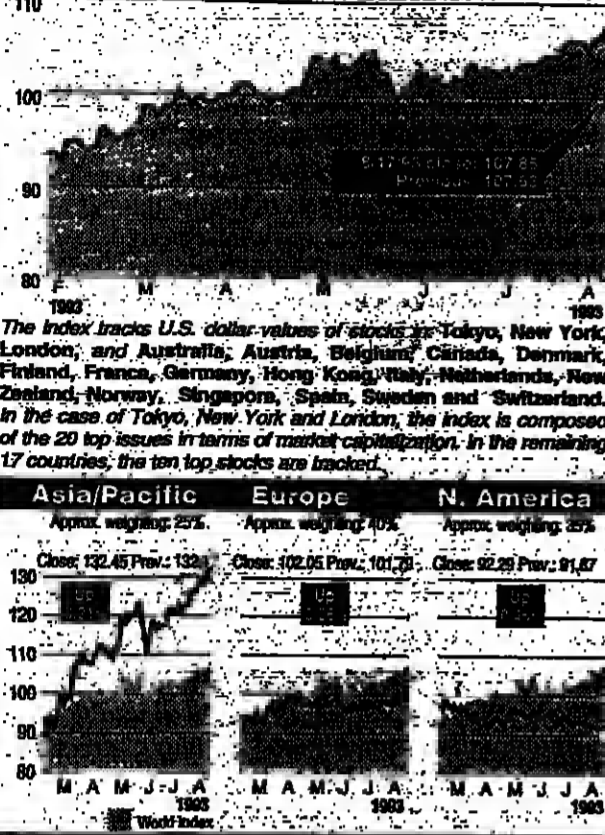
"At one point in the late 1980s," he said, "I had four plays on the same day in London," he said. "It was great." Not long after, Hynes knocked at his hotel door in London and commissioned "The Cavaladers" for the Abbey. Roche said he was not much of a reader of plays until he began to write them, but was impressed mostly by American writers — Jack London, William Faulkner, Henry Miller and Kurt Vonnegut — and later came "to love the smallness of Chekhov, as I do the sexual darkness of Ibsen." He acknowledged similarities with Sam Shepard, saying, "My characters, if they were American, would be cowboys." A theme they share, he added, is that "the planet has been ruined by greed" and that "everybody wants more than they're entitled to."

He quoted Molly, a cleaning woman in a betting parlor in his play "Poor Beast in the Rain": "Some people are born to be hurt, some to do the hurting." It's as simple as that. "That's the nature of things." Characterizing his work, he said: "I think I'm just writing about a kind of a tribe of people who still speak to one another, which is bloody rare in this day and age, and it may be with daggers drawn, but still conversation goes on, and we bump into one another, yeah, but we're responsible to one another. I think it was Yeats who said that art will sooner or later replace priests. That's very true because what happens in art is that we are able to take you into corners where, politically, a priest from the pulpit cannot go. And you can make up your own mind about what's right, what's wrong, and the darkness and lightness of it all. Twenty years ago I would have been run out of town."



THE TRIB INDEX 107.85

International Herald Tribune World Stock Index, composed of 250 internationally investable stocks from 20 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden, and Switzerland. In the case of Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization. In the remaining 17 countries, the ten top stocks are tracked.

MEDIA MARKETS

U.S. Newspapers Moving Into Electronic Editions

NEW YORK — After decades of predictions by publishing executives and futurists, electronic newspapers are finally arriving on personal computer screens across the United States. On-line editions of major papers recently blinked into existence in St. Louis, Chicago, San Jose, California, and elsewhere, and they are expected within months in New York, Atlanta, Los Angeles, Austin, Texas and many other cities.

But most of these ventures are not merely electronic versions of the printed page. Rather, the new editions offer a host of supplements to the newspaper. They offer a "read more about it" assortment of background and past articles of the reader's choice, as well as chances to communicate via computer with the reporters, editors and some of the people they write about.

And, illustrating that everything old is new again, many electronic editions will focus on the smallest of small-town news: school lunch menus, social notes, sewer board meetings.

As business ventures, the new services remain experiments. Whether they will someday cannibalize print newspapers, serve as a companion or never become more than a niche market is unknown. The fundamental questions include whether they will be advertiser- or subscriber-supported, or whether they will be viable at all.

A growing number of newspapers are already supplying paperless newspapers to their readers, or users, or whatever the term for newspaper consumers will be as the media world changes.

For many papers, the level of investment seems reasonable. Because they can now hitch a ride on existing on-line services instead of having to create their own, newspapers are finding that the chief additional cost is for a few employees, not for expensive hardware. The entire current staff of The Chicago Tribune's electronic service, for example, is four people.

The move toward home-computer newspaper services accelerated this summer as two of the biggest U.S. newspaper chains, Times Mirror Co. and Cox Enterprises, announced plans for electronic services at their newspapers. Those announcements followed decisions by three other major chains, Tribune Co., Knight-Ridder Inc. and Gannett Co.

"It is the beginning of an electronic news and information service" at the local level, said Gary H. Arlen, a Bethesda, Maryland, media analyst who studies interactive electronic services. "The printed newspaper won't go away, but the electronic service will change the printed newspaper."

French Banker To Head EBRD

By Richard W. Stevenson
New York Times Service
LONDON — Jacques de Larosière, the governor of the French central bank and a former head of the International Monetary Fund, is expected to be elected this week as the new president of the European Bank for Reconstruction and Development, officials said Tuesday.

Mr. de Larosière has been the leading candidate for the job at the bank, which was set up two years ago to finance private enterprise in the former Soviet bloc. But he had faced opposition from two other candidates, Leszek Balcerowicz, a former Polish finance minister and an architect of his nation's shift to capitalism, and Cristiano Amato, a former prime minister of Italy.

With support having coalesced around Mr. de Larosière, however, Mr. Amato formally withdrew on Monday. Mr. Balcerowicz, whose only realistic hope had been as a compromise candidate if the West European nations split between Mr. de Larosière and Mr. Amato, pulled out of the race Tuesday, leaving Mr. de Larosière as the only candidate.

The directors of the bank must submit their votes no later than Wednesday. Bank officials said they expected an official announcement of the result on Thursday.

If elected, Mr. de Larosière would replace Jacques Attali, the bank's founding president. Mr. Attali, a former top aide to President François Mitterrand of France, resigned last month after news reports and an internal audit questioned the high costs of building the bank's new headquarters building in London and Mr. Attali's lavish expenses for travel and entertainment.

Mr. Attali has been accused by Elie Wiesel, the writer, of mismanaging the bank's operations. Mr. Mitterrand, without attribution in a new book, Mr. Attali had also come under increasing criticism for failing to channel much in the way of loans and other financial assistance into the hands of governments and bus-

Numbers Have Changed AT&T Deal Shifts Industry Outlook

By Kurt Eichenwald
New York Times Service
NEW YORK — The acquisition of McCaw Cellular Corp. announced Monday by American Telephone & Telegraph Co. has knocked over the investment gameboard for the telecommunications industry. Now, fleet-footed investors have the chance to find potential winners and losers by quickly picking through the pieces before the stock market fully recognizes their new positions.

The biggest winners, of course, are likely to be stockholders of the two companies. With the acquisition, AT&T jumps to the top of the list of operating companies in cellular.

But other concerns are likely to be harmed by the combined company as the deal creates shifts in businesses and strategies.

Among the biggest potential losers are the Baby Bells, the regional telephone companies created by the breakup of AT&T in 1984.

One big winner is likely to be Lin Broadcasting Corp., a cellular company that is 52 percent owned by McCaw. McCaw has an option to buy all of Lin, but given McCaw's heavy debt many analysts had questioned whether the purchase would happen.

Now, with McCaw having access to AT&T's deep pockets, analysts say the purchase is almost assured. Lin's stock jumped \$12.75, to \$115, in over-the-counter trading on Monday, and closed at \$121 Tuesday, up \$6.

Another company that will be significantly affected is L.M. Ericsson Telefon AB of Sweden. Ericsson is a big supplier of equipment to McCaw, a business that analysts said could be supplanted by AT&T's own manufacturing division.

But the union of AT&T and McCaw is not necessarily a negative for Ericsson, because the telecommunications investment game is now played on several levels. While Ericsson may lose McCaw's equipment business, other companies in the field may decide to take their equipment purchases away from their big new competitor, the AT&T-McCaw combination. Analysts say that business could wind up with Ericsson.

For example, AT&T makes cellular phone switches — computers that keep track of calls. So does Ericsson. But cellular-phone companies will

Lin Broadcasting becomes a buyout candidate, L.M. Ericsson faces changes in the equipment-manufacturing market and the Baby Bells are complaining of unfair competition.

probably not want to keep buying their switches from AT&T, McCaw's new parent. "Ericsson would probably get business from the customers who don't want to be doing business with a competitor," said John E. Money, an analyst with Argus Research Corp.

Among the potential losers is Southwest Bell Corp., which has invested heavily in its Cellular

See PHONES, Page 13

Franc Rebounds As Paris Trims An Interest Rate

Compiled by Our Staff From Dispatches
PARIS — France shaved another half-point off its overnight interest rate on Tuesday, arresting the franc's latest slide against the Deutsche mark.

The Bank of France cut its overnight bank rate to 8.75 percent from 9.25 percent. It was the rate's third cut in one week, down from 10 percent.

The central bank, seeking only gradual cuts to prevent a new assault on the franc, has kept its benchmark rate at 10 percent. Lately, however, currency traders taking a longer-term view see the franc as more attractive if France cuts interest rates to boost the flagging economy.

Minutes after the new rate cut, the franc rebounded against the mark to 3.5390 francs from 3.5450 francs on Monday.

Despite the closure of French markets on Monday for the Assumption Day holiday, the franc came under attack in other markets. In London it sank to 3.5490 DM, a new low, before recovering to 3.5385.

Finance Minister Edmond Alphandery on Monday denied rumors circulating in the London market that France would reinstitute currency controls, calling such reports "totally absurd."

The rumor followed comments by Prime Minister Edouard Balladur and President François Mitterrand against speculation. Mr. Balladur, in a television interview over the weekend, had called for an overhaul of the world currency system.

Mr. Alphandery said he "considers as completely absurd the idea in which French authorities would envision a reestablishment of any kind of exchange controls," he said in a communiqué. He noted that France had completely dismantled currency controls in line with the free movement of capital required within the European Community.

Malcolm Barr, an analyst at Chemical Bank, linked the franc's rally Tuesday to a published report that Hans Tietmeyer, a Bundesbank vice president, had asked other EC finance ministers and central

bankers not to cut interest rates precipitously following the Aug. 1 emergency meeting that scrapped the system of closely linked exchange rates for key EC currencies.

This would imply that interest rates in France, as in other EC countries, were unlikely to fall as rapidly as the market had come to expect after the loosening-up of the ERM.

A storm of currency speculation in recent weeks, fueled by lofty German interest rates and neighbors trying to cut their rates to stimulate their sinking economies, came close to sinking the exchange-rate mechanism of the European Monetary System. EC officials on Aug. 2 allowed wider fluctuations within the system's rate mechanism, calming the run on weaker currencies.

But that struck a blow to plans for a unified currency and central bank by the end of the century that could boost Europe's competitiveness with the United States and Japan.

(AP, Knight-Ridder)

Dell Computer Has First Loss

Compiled by Our Staff From Dispatches
AUSTIN, Texas — Dell Computer Corp. said Tuesday it had a loss of \$75.7 million in its second quarter, including a \$71 million restructuring charge.

It was the personal-computer maker's first loss since it became a public company in 1988. The company forecast the loss last month, but it was unclear then whether it expected the result to be due only to the special charge.

The loss amounted to \$2.03 a share for the quarter that ended Aug. 1, wider than analysts' forecasts of around \$1.75 a share. Without the charge, Dell would have had a loss of 61 cents a share. The company earned \$21.9 million, or 57 cents a share, a year earlier.

Revenue rose 53 percent to a record \$700.6 million, from \$457.5 million.

In its July forecast, Dell said a loss could cause the company to default on some of its loan agreements. But Tuesday, the company said those financial covenants had been restructured and that no default would occur.

The charge was related to restructuring provisions, write-downs of the value of inventory, rapidly rising expenses and costs associated with delayed and canceled notebook-computer projects.

Dell said operating expenses rose to about 21 percent of sales in the second quarter, from 16 percent a year earlier.

The company said three months

ago it was canceling plans for some notebook computers that it had decided would be less powerful than its customers wanted.

Chairman S. Michael Dell said the company expected to return to profitability in its third quarter.

Dell said sales in the United States rose 49 percent from a year earlier, while international sales were up 60 percent. But compared with first-quarter 1993 levels, they were up 9 percent and down 3 percent, respectively.

For its first half, Dell posted a loss of \$65.5 million, or \$1.76 a share, on sales of \$1.37 billion. The company earned \$41.7 million, or \$1.09 a share, on sales of \$823.6 million a year earlier.

(AP, UPI, Knight-Ridder)

Continental Plans Mileage Transfer

Agence France-Press
SYDNEY — About 50,000 travelers will have to wait another day to discover whether they will lose their frequent-flyer miles after Continental Airlines' decision Tuesday to end its Australian operations.

The frequent fliers stand to lose millions of dollars worth of airline travel unless Continental negotiates a transfer of accumulated mileage to another airline.

A spokesman for Continental in Sydney said talks were under way with a number of airlines to try to accommodate the frequent fliers and the customers booked on flights after Oct. 30, when the airline stops flying to Australia and New Zealand.

"We expect to have a clearer picture by tomorrow," the spokesman said Tuesday.

One of the other airlines is the Australian carrier Qantas, which industry analysts believe stands to gain most from the collapse of a large segment of the Continental operations.

The carrier announced global cutbacks on Monday, including the cancellation of all flights from the United States to Australia and New Zealand.

Continental will end service to Brisbane and Mount North Drom, and Spokane, Washington, on Sept. 30; to Vancouver, British Columbia, on Oct. 1, and to Puerto Plata in the Dominican Republic on Sept. 7.

About 2,500 workers are facing layoffs.

The airline, which emerged from bankruptcy proceedings in April, said it would honor all obligations to passengers on flights up to Oct. 31 and was trying to make arrangements for those with later bookings.

Continental's cuts coincide with attempts by two other U.S. airlines, Northwest and United, to increase services to Australia via the lucrative Japan routes.

Perry Flint, the editor of the U.S.-based Air Transport World magazine, said that Continental's decision could result in further losses because the Asia-Pacific is the world's fastest growing economic region.

He said it presented Qantas a golden opportunity to expand operations in U.S. routes.

The cutbacks were announced just a week after Continental and Northwest lost a \$3 billion predatory-pricing suit against American Airlines.

Continental's general manager for Australia, Brian Wild, said the airline "regrets the inconvenience this action will cause to our loyal customers and travel- and freight-industry partners."

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CURRENCY & INTEREST RATES

Cross Rates									
	U.S.	DM	FF	Yen	Sw.	Fr.	£	DM	Yen
Australia	1.602	2.242	1.328	1.025	1.000	1.000	1.000	1.000	1.000
Canada	0.714	0.816	0.505	0.375	0.375	0.375	0.375	0.375	0.375
France	1.665	2.203	1.362	1.035	1.000	1.000	1.000	1.000	1.000
Germany	1.636	2.192	1.352	1.025	1.000	1.000	1.000	1.000	1.000
Italy	1.936	2.604	1.628	1.215	1.000	1.000	1.000	1.000	1.000
Japan	1.000	1.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Spain	1.666	2.204	1.363	1.036	1.000	1.000	1.000	1.000	1.000
Switzerland	1.666	2.204	1.363	1.036	1.000	1.000	1.000	1.000	1.000
UK	1.666	2.204	1.363	1.036	1.000	1.000	1.000	1.000	1.000

Eurocurrency Deposits									
	1 month	3 months	6 months	1 year	2 years	3 years			
Dollar	5.75	5.75	5.75	5.75	5.75	5.75			
D-Mark	6.75	6.75	6.75	6.75	6.75	6.75			
Swiss Franc	6.75	6.75	6.75	6.75	6.75	6.75			
Sterling	6.75	6.75	6.75	6.75	6.75	6.75			
French Franc	6.75	6.75	6.75	6.75	6.75	6.75			
Yen	6.75	6.75	6.75	6.75	6.75	6.75			

Key Money Rates									
	1 month	3 months	6 months	1 year	2 years	3 years			
Dollar	5.75	5.75	5.75	5.75	5.75	5.75			
D-Mark	6.75	6.75	6.75	6.75	6.75	6.75			
Swiss Franc	6.75	6.75	6.75	6.75	6.75	6.75			
Sterling	6.75	6.75	6.75	6.75	6.75	6.75			
French Franc	6.75	6.75	6.75	6.75	6.75	6.75			
Yen	6.75	6.75	6.75	6.75	6.75	6.75			

MARKET DIARY

Indexes Hit Highs But Banks Falter

NEW YORK — U.S. stocks rose for a third straight session on Tuesday, with record closes in several indexes fueled by gains in the drug industry. Bank stocks, however, were sharply lower.

The Dow Jones industrial average rose 7.83 points, to a record 3,586.98, besting the previous high of 3,583.35 set Wednesday.

The American Stock Exchange index ended at a record 442.66 after rising 1.33 points, while the Nasdaq composite over-the-counter index rose 4.13 points, to a record 2,319.11.

Drug stocks led the market's advance. "These stocks have been in the doldrums for so long and they're finally starting to show signs of life," said Ronald Nordmark, an analyst at PierceFenner & Smith.

Merck was the most-active issue on the New York Stock Exchange, gaining 1 1/2 to 31 after a published report said its professional stock pickers favored the drug.

Glaxo, which received approval from the Food and Drug Administration to market an injectable version of Zofran to help stop nausea and vomiting after operations.

The banking sector, which had advanced in recent sessions, was lower. "The bank stocks have had a long run higher, and they're looking a bit overextended here," suggested Trade Latimer of Wayne Grayson Capital.

President Bill Clinton's announcement that any revamping of the U.S. health-care system would be phased in over several years. There have been fears of pressure on drug prices. Pfizer advanced 1 1/2 to 60 1/2.

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JAPAN: Sharing the Strong Yen

Continued from Page 1 coming not from consumers, whose views have long been muted, but from business. At the yen's current level, almost no Japanese exporters — which comprise the most efficient sector of the economy — are profitable. (Page 15)

Thus, the urgent need is to lower the level of the yen. The quickest way is to reduce the trade surplus that is the chief cause of the currency's rise; analysts say the surplus could top a record \$150 billion this year, largely because Japan's slack economy is pulling in fewer goods, while exports remain firm.

A growing chorus of economists and business leaders are urging the government to follow through on its pledge to remove restrictions that block consumers from harnessing the strength of the yen. Imports would then become cheaper and, presumably, more would be bought, reducing the trade imbalance.

"Prime Minister Morihiro Hosokawa will have to adopt deregulation aggressively to cut prices," said Masaru Takagi, chief economist at Fuji Research Institute. "But it will take a long time to have an impact on the trade imbalance."

On Tuesday, in a call that reflects the growing pressures on Mr. Hosokawa, the Federation of Employers Associations called for deregulation in 13 areas.

"Dollar Closes Mixed" The dollar was raised against European currencies in New York, Knight-Ridder reported. Largely because of cross-trading against the yen, the dollar rose to 1.6928 Deutsche marks from 1.6869, and it gained to 1.5024 Swiss francs from 1.4960. But the dollar fell to 5.9475 French francs from 5.9805. The pound fell to \$1.4880 from \$1.4895.

"Coffee Exporters Form Cartel" KAMPALA, Uganda — The world's major coffee-producing nations agreed Tuesday to form a cartel to shore up prices and said they would cut supplies 20 percent when the new season starts Oct. 1.

In a communique called the Kampala Coffee Declaration, ministers from about two dozen Asian and Latin American countries said they would establish an Association of Coffee Producing Countries. Coffee-producing countries' economies have been hit by the sharp decline in prices that followed the demise in 1989 of the International Coffee Agreement and its system of export quotas.

Yoweri Museveni said producing nations earned \$5.6 billion from coffee last year, down from \$11 billion in 1987. (AP, Reuters)

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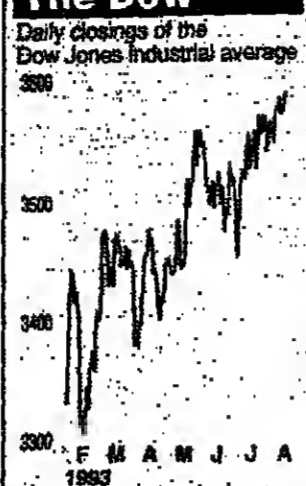
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The Dow



Daily closings of the Dow Jones Industrial average

NYSE Most Active

Table listing the most active stocks on the NYSE, including Merck, Pfizer, and various bank stocks.

AMEX Most Active

Table listing the most active stocks on the American Stock Exchange.

NASDAQ Most Active

Table listing the most active stocks on the Nasdaq over-the-counter market.

NYSE Diary

Table providing a daily diary of NYSE activity, including volume and price changes.

Amex Diary

Table providing a daily diary of Amex activity.

NASDAQ Diary

Table providing a daily diary of Nasdaq activity.

Dow Jones Averages

Table showing the Dow Jones Industrial Average and other major indexes.

Standard & Poor's Indexes

Table showing Standard & Poor's 500 and other indexes.

NYSE Indexes

Table showing NYSE Composite and other indexes.

NASDAQ Indexes

Table showing NASDAQ Composite and other indexes.

AMEX Stock Index

Table showing the AMEX Stock Index.

Dow Jones Bond Averages

Table showing Dow Jones Bond Averages.

Market Sales

Table showing market sales for various sectors.

N.Y.S.E. Odd-Lot Trading

Table showing N.Y.S.E. Odd-Lot Trading.

S&P 100 Index Options

Table showing S&P 100 Index Options.

EUROPEAN FUTURES

Food

Table showing European futures for food commodities.

Metals

Table showing European futures for metals.

Financial

Table showing European futures for financial instruments.

U.S. FUTURES

Grains

Table showing U.S. futures for grains.

Metals

Table showing U.S. futures for metals.

Livestock

Table showing U.S. futures for livestock.

Financial

Table showing U.S. futures for financial instruments.

U.S. AT THE CLOSE

Housing Starts Down 2.7% in July

WASHINGTON (AP) — U.S. housing starts fell 2.7 percent in July, the fourth decline in the first seven months of 1993, despite the lowest mortgage rates in 20 years, the government said Tuesday.

The Commerce Department said construction of new homes and apartments totaled a seasonally adjusted annual rate of 1.21 million, down from 1.25 million in June. It was the biggest drop since a 4.7 percent decline in March. New construction was down in the flooded Midwest and in the West, offsetting slight increases in the Northeast and South.

Starts for the first seven months of 1993 were up 2 percent from those of the same period a year earlier. Analysts said many prospective home buyers were cautious because of weak job and income growth and uncertainties over federal tax and spending policies, because of the Clinton administration's health-care proposals. And, they added, expectations of continued low rates and stable prices have curbed any sense of urgency.

Penney's Quarterly Profit Rose 40%

PLANO, Texas (Bloomberg) — J.C. Penney Co., the fourth-largest U.S. retailer, said Tuesday that second-quarter earnings had surged 40 percent because of lower costs, strong gains in catalogue sales and better results at its insurance unit.

For the quarter ended July 31, Penney's net grew to \$112 million, or 42 cents a share, from \$80 million, or 31 cents a share, a year earlier. Sales increased 4.6 percent, to \$3.9 billion from \$3.79 billion.

Hewlett-Packard Takes a Pounding

SAN FRANCISCO (Reuters) — Hewlett-Packard Co. was drubbed on the stock market Tuesday on its disappointing third-quarter results, but its stock recovered somewhat late in the day, and analysts said the company should regain its earnings momentum in the coming months.

Hewlett-Packard was down to \$68.50 in trading on the New York Stock Exchange after the company reported third-quarter earnings of \$1.06 per share, or about 15 cents per share short of analysts' expectations. It rebounded to end the day off \$1.50 at \$73.24.

The company reported that net income had risen 44 percent, to \$271.0 million, or \$1.06 a share, in the quarter that ended July 31, compared with \$188.0 million, or 75 cents a share, a year earlier.

Warner-Lambert Halts Most Output

WASHINGTON (APF) — Warner-Lambert Co. has agreed to halt production of a wide range of drug products until its plants meet government standards, the Food and Drug Administration announced Tuesday.

The company said the action would cost \$150 million, lowering 1993 revenue to \$3.9 billion. FDA inspectors determined that the company had withheld testing data and failed to ensure the quality of its products.

Bass-Led Group Buys 8 Food Firms

DALLAS (Combined Dispatches) — An international group led by the investor Robert M. Bass said Tuesday that it had acquired eight U.S. food companies for \$1.1 billion.

Since plans for the buyout were confirmed last month, the transaction has received attention for its size and the fact that a large leveraged buyout, common in the 1980s, can still attract financing. (APF, NYT)

For the Record

Boeing Corp. will be the main contractor for a revamped \$22 billion space-station program, the National Aeronautics and Space Administration announced Tuesday.

Rabban Partners Co. stock jumped \$2.75 to \$37.125 on Tuesday after the company announced that it was considering shedding its cereal and baby-food units less than three weeks after spinning off most of its vast bakery division. (AP)

American Express Bank Ltd. said any violations of laws that prohibit U.S. companies from cooperating with the Arab boycott of Israel were unintentional. It was fined \$103,000 for 39 alleged violations. (Bloomberg)

WORLD STOCK MARKETS

Agence France Press Aug. 17

Table showing world stock market indices for various countries including Amsterdam, Brussels, Frankfurt, London, Milan, Madrid, Paris, Sao Paulo, Singapore, Stockholm, Tokyo, Zurich, and others.

U.S. FUTURES

Via Associated Press Aug. 17

Table showing U.S. futures markets for commodities like Wheat, Soybeans, Corn, and others.

U.S. AT THE CLOSE

Via Associated Press Aug. 17

Table showing U.S. stock market indices and commodity prices at the close of trading.

U.S. AT THE CLOSE

Via Associated Press Aug. 17

Table showing U.S. stock market indices and commodity prices at the close of trading.

EUROPE

Lackluster Earnings At Hanson

Compiled by Our Staff From Dispatches LONDON — Hanson PLC reported Tuesday weak earnings for its third quarter, depressed by a strike at its Peabody Holding Co. in the United States.

Hanson said its profit fell 47.6 percent, to £187 million in the three months through June 30, from £357 million a year earlier. The British-American industrial conglomerate also reported its figures in dollars, calculating net income down 43.9 percent, to \$279 million.

Sales in the latest quarter rose 22.2 percent, to £2.31 billion. For the first nine months of its year, Hanson said net income fell 27.3 percent, to £560 million, while revenue was up 16.2 percent, to £7.10 billion.

Split of British Gas Asked U.K. Panel Seeks Sale of Trading Unit

Compiled by Our Staff From Dispatches LONDON — British Gas PLC, the world's biggest gas company, should be split up and asked to divest itself of its gas-trading activities, Britain's Monopoly and Mergers Commission said Tuesday.

British Gas said that if the recommendations were accepted in full, it might have to lay off as many as 20,000 people, about one-third of its work force. But it welcomed the divestment proposal as good for shareholders.

The commission said it wanted the company's monopoly threshold — or the level of usage below which it would be a monopoly supplier — lowered to 1,500 therms a year from 2,500 therms; one therm is 100,000 British thermal units.

"This was a jump for joy, and a relief that it wasn't worse," said Philip Morgan, an analyst at Paribas Capital Markets.

The British government had no comment on the report, which it said it was still considering. But one of British Gas's competitors, UtiliCorp U.K., objected to a proposal that would leave British Gas's monopoly on supplying gas to households largely untouched.

According to British Gas's own figures, about 17.5 million of the current 18 million households would remain within its monopoly at that level. UtiliCorp said this made the proposals "a token gesture as far as the consumer is concerned."

The commission recommended that British Gas be allowed to set prices on competitors' use of its pipeline system at a level that would bring it a return of between 6.5 percent and 7.5 percent on new investments. The company said this was a smaller return than it has been getting since its privatization.

SE Banken Slashes Its Loss, Says Aid No Longer Needed

Compiled by Our Staff From Dispatches STOCKHOLM — Sweden's largest commercial bank, Skandinaviska Enskilda Banken, announced Tuesday a dramatic turnaround in six-month results and said it no longer needed to seek support from the state.

SE Banken said its operating loss in the first half of the year shrank to 298 million kronor (\$37.3 million), from 2.498 billion kronor in the year-earlier period.

The stock market greeted the surprise result with a strong rally in the bank's shares, which soared nearly 14 percent to 78.50 kronor. The news contributed to a 6.1 percent gain for banking stocks and helped lift the market's general index more than 16 points to a record high of 1,301.90.

Stockholm last year into a 1.74 billion kronor operating profit in the latest six months. SE Banken said it expected loan-loss provisions to total between 9.5 billion kronor and 11 billion in 1992, compared with 11.2 billion in 1991. The bank said bad and doubtful debts at the end of June amounted to 22.5 billion kronor, down from 24.6 billion at the end of March.

Revenue rose to 8.6 billion kronor from 6.9 billion in the first half last year. First-half net interest income rose to 4.6 billion kronor from 3.9 billion.

Norske Bank to Profit Den norske Bank, Norway's biggest commercial bank, said on Tuesday that it had returned to profitability at mid-year, with a net profit of 204 million kroner (\$27.6 million), against a loss of 1.2 billion kroner in the first half of 1992, news agencies reported from Oslo.

The positive result was mainly attributable to a sharp rise in net interest income and gains on bonds and securities. This was due to lower interest rates and better banking, the bank said. The result was somewhat higher than analysts had expected.

U.S. Report Calls Airbus a Threat

WASHINGTON — The U.S. International Trade Commission said Tuesday that Airbus Industries, the European aircraft consortium, is a growing threat to U.S. makers of large civilian aircraft.

The ITC, while praising U.S. research skills in the field, said "U.S. expertise will be challenged increasingly by Airbus and Western Europe's aeronautical research institutions."

global market but it faces increased competition from Airbus Industries, the ITC said.

U.S. producers of large civil aircraft account for 64 percent of worldwide unit orders and 73 percent of worldwide unit deliveries, the ITC said. These shares equal more than a 20 percent decline from the levels logged in 1970, but the volume of U.S. deliveries has risen by 160 percent as global demand has increased.

PHONES: AT&T-McCaw Deal Alters the Landscape

Continued from Page 11 One business as a joint venture with McCaw. Once the AT&T-McCaw deal is done, Southwestern will no longer be doing business with an independent McCaw; rather, its partner will become AT&T, an arrangement that could violate the terms of the court-ordered breakup of the Bell system.

cellular communications businesses, and the deal would create a much more formidable, financially strong competitor. Worse, the regional argue, under the new arrangement, McCaw customers could bypass the local exchanges and connect directly to AT&T through their cellular phones.

BANK: De Larosière Assured of Presidency of EBRD

Continued from Page 11 chief of the French central bank since 1987, he has played a key role in bringing inflation under control and in dealing with the fallout from the currency crisis that has rocked financial markets and set back hopes for monetary union.

Mr. De Larosière's supporters said he would bring to the job a far greater depth of knowledge in development banking than Mr. Attali, who viewed himself as a politician and an intellectual, as well as experience in running large organizations and juggling the needs of various constituencies.

Investor's Europe

Table with columns for Exchange, Index, Tuesday Close, Prev. Close, % Change. Includes data for Frankfurt DAX, London FTSE 100 Index, Paris CAC 40, Amsterdam CBS Trade, Brussels Stock Index, Frankfurt DAX, Frankfurt FAZ, Helsinki HEX, London Financial Times 30, London FTSE 100, Madrid General Index, Milan MIB, Paris CAC 40, Stockholm Affarsvecksindex, Vienna Stock Index, Zurich SBS.

Very briefly:

- De Beers said its first-half profit rose 8.6 percent to \$353 million. The figure reflects combined results of the company's two parts, De Beers Consolidated Mines Ltd. and De Beers Centenary AG.
Adam Opel AG will invest 500 million Deutsche marks (\$293.5 million) to build a diesel-engine plant at its works in Kaiserslautern, Germany.
Glaxo Holdings PLC said its American unit, Glaxo Inc., won U.S. Food and Drug Administration clearance to market its Zofran injection for the prevention of post-operative nausea and vomiting.

NASDAQ

Tuesday's Prices NASDAQ prices as of 4 p.m. New York time. The list compiled by the AP consists of the 1,000 most traded securities of the prior day. It is updated twice a year.

NASDAQ stock price table with columns for 12 Month High/Low, Div, Yld, PE, Bid, Ask, High, Low, Last, Open, Close.

Stock price table with columns for 12 Month High/Low, Div, Yld, PE, Bid, Ask, High, Low, Last, Open, Close.

Stock price table with columns for 12 Month High/Low, Div, Yld, PE, Bid, Ask, High, Low, Last, Open, Close.

Stock price table with columns for 12 Month High/Low, Div, Yld, PE, Bid, Ask, High, Low, Last, Open, Close.

Stock price table with columns for 12 Month High/Low, Div, Yld, PE, Bid, Ask, High, Low, Last, Open, Close.

Stock price table with columns for 12 Month High/Low, Div, Yld, PE, Bid, Ask, High, Low, Last, Open, Close.

TOP FUNDS North Star Group of Companies operates 33 investment funds which have been awarded No. 1 by Lipper's of the US in 1982, 1987, 1988, 1989, 1991 and 1992. 17% p.a. in DKK on average since 1984. 16% p.a. in DEM, 17% p.a. in CHF, 17% p.a. in FRF, 21% p.a. in GBP, 20% p.a. in USD. Please send me information on North Star. Name, Address, Tel. no., Post to: MNP Consultants, 39 Toldbodgade, DK-1253 Copenhagen, Tel: 45-33 32 11 22, Fax: 45-33 32 67 17. Custodian Bank: ABN/AMRO Bank, Den Danske Bank International S.A.

NYSE Tuesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

(Continued)

Table with columns: 15 Month High Low Stock, Div, Yld, PE, etc. Lists various stocks and their prices.

Table with columns: 12 Month High Low Stock, Div, Yld, PE, etc. Lists various stocks and their prices.

Table with columns: 12 Month High Low Stock, Div, Yld, PE, etc. Lists various stocks and their prices.

Unification Bites Into Germany's Budget

BONN — The German government, which borrowed heavily to pay for reunification, faces soaring interest payments and will devote nearly 14 percent of total spending to servicing its debts by 1997, officials said Tuesday.

over 69 billion marks in the financial planning period," the document said. This would represent 13.8 percent of total spending in 1997, up from 10 percent this year.

fronts to stop the federal budget deficit, projected at a record 67.5 billion DM in both 1993 and 1994, from getting out of control.

Table with columns: 12 Month High Low Stock, Div, Yld, PE, etc. Lists various stocks and their prices.

INTERNATIONAL FUNDS

ADVERTISING Aug. 17, 1993

Conditions applied by funds listed. Not asset value quotations are supplied by the Funds listed with the exception of some equity funds based on prices.

Large table listing various international funds with columns for fund names, asset values, and other details.

Table listing various international funds with columns for fund names, asset values, and other details.

Projection

AMEX

Tuesday's 3 p.m.

Table listing various stocks on the AMEX exchange.

Curb Pay, China Tells State Firms

BEIJING — China announced Tuesday a tough new step in its anti-inflation campaign, warning unprofitable state-owned companies to rein in pay increases and pay their debts or risk losing their subsidies.

Singapore Details Sell-Off Telecom Offering Is Held to 6% to 8%

SINGAPORE — The government will sell 6 percent of Singapore Telecommunications Pte. in October, Communications Minister Mah Bow Tan said Tuesday.

much as 25 percent of the company over the next five to seven years.

High Yen Pressures Earnings at Canon

TOKYO — Canon Inc. blamed the surging yen Tuesday for a first profit drop in profit in the first half of the year.

Despite the yen's rise, Canon is maintaining the earnings forecast it announced in May. It said then that 1993 parent current profit would be 33 billion yen, on expected sales of 1.06 trillion yen.

Investor's Asia

Table with columns for Hong Kong Hang Seng, Singapore Straits Times, Tokyo Nikkei 225, and various regional indices with their respective values and changes.

Wharf to Get New Chairman

HONG KONG — Wharf (Holdings) Ltd. announced Tuesday that Peter Woo would step down as chairman of the real estate and hotel conglomerate next year and become honorary chairman.

Several analysts said they were considering raising their full-year forecasts for Wharf after the results.

Daiwa May Lend a Hand

TOKYO — Daiwa Securities Co. plans to bail out two affiliated companies that each hold about 50 billion yen (\$493.3 million) of nonperforming loans.

The two companies are holding the properties as collateral on the loans.

Very briefly:

- Australia's budget contains a record 16 billion dollar (\$10.83 billion) deficit for the year that began July 1, although the government plans to cut that to 5.8 billion in four years.

Seoul Institutes Lower Projections

SEOUL — South Korean research institutes lowered their annual growth projections Tuesday as the government acted to "buff" small and medium-sized companies from a credit crunch prompted by the ban on the use of aliases in financial dealings.

Time Postpones Japan Edition

TOKYO — Discouraged by a long slump in the advertising market, Time Warner Inc. said Tuesday that it had postponed indefinitely plans to launch a Japanese version of its third-tier magazine, Time.

APPLES: In a Case Symbolizing U.S.-Japan Disputes, Washington Farmers Are Growing Forbidden Fruit

Continued from Page 1. Washington state, who raise half the nation's crop and ship their fruit to 24 countries, including several in Asia, have taken the first step to bring trade sanctions against Japan.

of apples from New Zealand, have yet to respond to the specific complaints of the letter. But in the past, Japanese agriculture officials raised concerns about the possibility of pests infecting their own fruit if American apples were allowed into Japan.

Washington state's 3,500 apple farmers produce twice as many apples as their Japanese counterparts. But Japan has more than 10 times as many apple farmers, who raise their fruit on small plots and receive high prices for the produce.

Large financial table with multiple columns for AMEX, NYSE, and other market data, including stock prices, volume, and market indices.

SPORTS THE JORDAN MURDER

Suspects Inseparable Pals — Except When in Prison

Compiled by Our Staff From Dispatches

LUMBERTON, North Carolina — Larry Martin Demery and Daniel Andre Green, the two 18-year-olds who have been charged with first-degree murder in the robbery-slaying of James Jordan, have spent most of their lives together, according to a law enforcement official involved in the case.

"They started school together, they were kept together day-in and day-out except when they were in prison," Robeson County Sheriff Hubert Stone said following the high school dropouts' arraignment Monday on charges of armed robbery, conspiracy and first-degree murder involving the father of the basketball star Michael Jordan.

Green, who was 15 when he tried to kill a classmate by hitting him in the head with an ax, stared coolly ahead as District Court Judge Gary Locklear read the charges that he "willfully and feloniously did of malice aforethought kill and murder James Jordan."

His co-defendant, Demery, whose nine-page criminal record ranges from stealing pastries to allegedly robbing a woman by beating her with a cinder block, began shaking and weeping uncontrollably when the judge, who was read-

ing the charges against him, said the word "murder."

The two slightly-built 18-year-olds answered only "Yes, sir" when Locklear asked if they understood the charges.

The two walked into the courtroom wearing ankle chains but no handcuffs and looked very much like any other teenagers in Robeson County. Demery is stockier, with shoulder-length black hair and the familiar complexion of the area's Lumberton natives. Green is a slender black youth with close-cropped hair.

As Greco was led into the courtroom, he responded to reporters' questions by saying, "No, I didn't shoot him. I didn't kill him. I didn't."

Stone also said that a National Basketball Association championship ring that Michael Jordan had given his father had been found wrapped in a bag buried in a remote area and that Green and Demery had told the police where it was.

"They both said they wanted some money," said Mark Locklear, chief investigator of the Robeson County sheriff's department. "One said he wanted money because he didn't have any. The other indicat-

ed he needed money because he needed to pay his parole officer."

Green had left prison in June after an assault conviction and was having trouble scraping together the \$45 a month in restitution and fees, Locklear said.

Court records and interviews revealed a grim picture of Green's and Demery's previous encounters with the law. And their records have sparked criticism of the pace of county and state judicial systems.

Demery was indicted in December on charges of armed robbery and assault with a deadly weapon with intent to kill. The indictment charges Demery with assaulting Wilma R. Dial and stealing \$7 in cash, plus jewelry and other items worth more than \$400.

Although Demery allegedly attacked Dial, a 61-year-old convenience store clerk, with a cinder block, the indictment also charges him with "having in his possession and threatening the use of a .38-caliber pistol," the same caliber of gun used to kill Jordan.

Demery was scheduled to stand trial on the charge Aug. 4, the day after Jordan's decomposed body was discovered in a creek in South Carolina. It was also Demery's 18th birthday.



Daniel Green, center front, and Larry Demery, behind him, being escorted under heavy police guard into the Robeson County Courthouse in North Carolina, where it was charged that they "willfully and feloniously did of malice aforethought kill and murder James Jordan."

High Rogers, the court-appointed attorney who is representing Demery in both the Dial and the Jordan cases, said Demery's case was scheduled for trial that day but was never called because too many other trials were under way.

Court records indicate that Demery also was scheduled to be tried Aug. 11 on three forgery charges filed in October 1991.

The records indicate that Demery was slated for two trials in July on two breaking-and-entering and larceny charges stemming from an incident Sept. 15, 1991. On that date, the records state, Demery allegedly broke into two stores and stole cigarettes, 121 cigarette

lighters, rolling papers, a cap, work gloves, two boxes of bubble gum, three boxes of Moon Pies and 28 honey buns and cakes.

None of those cases came to trial, according to court records.

Dial, who was hospitalized for two weeks with serious head injuries after she was attacked at 1:40 A.M. as she walked to her car outside the convenience store where she worked, said that if Demery had "been in jail, this [the Jordan killing] wouldn't have happened."

Robeson County District Attorney Richard Townsend said he did not know the specifics of previous cases against Demery, but that his

office has about 1,000 cases currently pending.

Court records indicate that of the 14 charges Demery has faced since September 1991, when he was 16, only two — stemming from a 1991 breaking-and-entering case, in which he received a year's probation — have been decided by a judge.

Townsend said his county's record of bringing cases to trial was not unusual. "We're like everybody else," he said.

The father of the boy who was struck by Green's ax also was harshly critical of the local judicial system. Green was paroled two months ago after serving two years

of a six-year sentence for assault with a deadly weapon with intent to kill in the September 1990 incident.

Melvin Ellison said his son, Robert, spent several months in a coma and a year in the hospital after Green smashed the top of his head with an ax, apparently in a dispute over a girl. Robert Ellison, 18, was not present at the experience, according to his father.

"The judicial system stinks," Ellison said.

Townsend said most state prisoners serve an average of 20 percent of their sentences before parole and that Green had served more than most.

Stone, amplifying on statements made the day before, said Green and Demery came upon Jordan as he was sleeping in his Lexus sedan between 2 and 3 A.M. on July 23. Jordan had pulled over to nap on a small utility road off U.S. 74 as he was driving from a friend's home near Wilmington to his home in Union County, near Charlotte.

"He awakened, and when he awakened the guy with the gun got scared and shot him," said Stone.

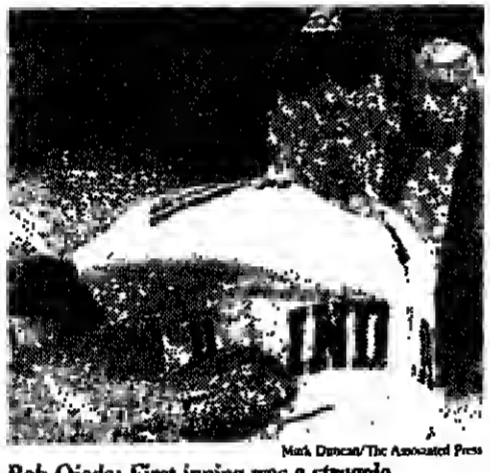
The sheriff said investigators have determined which one was the triggerman. But Stone refused to name him. The gun has not been recovered. (WP, NYT, AP)

Ojeda 'Turns Page' But Blue Jays Win Game on Homers

Bob Ojeda continued his comeback from a tragic loss by returning to the Cleveland Indians' starting rotation with a disappointing but gutsy 4-1 loss to the Toronto Blue Jays.

The Blue Jays, with their third straight victory, took a 1½-game lead in the American League East over the New York Yankees, whose game was rained out.

Five months after he was seriously injured in the Florida boating accident that killed two teammates, Ojeda fulfilled Monday night a promise he had made to himself in June, when he said: "I need to get up. I need to get forward. I need to turn the page."



Bob Ojeda: First inning was a struggle.

Almost predictably, the first inning was a struggle. After waving to the crowd to acknowledge a standing ovation, Ojeda gave up leadoff single to Devou White and consecutive home runs by Roberto Alomar and Paul Molitor.

But then the 35-year-old left-hander's pitching skills kicked in, and he mixed speeds on breaking balls to hold the Blue Jays scoreless the rest of his five innings.

He gave up seven hits, struck out one and walked none, leaving after the fifth because the Indians' manager, Mike Hargrove, had set a limit on his pitcher's. Of the 86 pitches Ojeda made, 53 were strikes.

Reliever Bill Werz then gave up a home run to the first batter he faced, John Olerud.

Ojeda had arthroscopic surgery on his left shoulder April 27 for an injury unrelated to the accident. He returned to the Indians' roster Aug. 7 and made two relief appearances — in Baltimore and Milwaukee — before Hargrove gave him the start.

Watching from the stands were Ojeda's wife, Ellen, and Patri Olin, whose husband, Steve, was killed with Tim Lincecum in the March 22 accident. Crews and Olin both relief pitchers, died when the boat crews was piloting hit a dock in early evening darkness. Ojeda's scalp was torn off and had to be replaced surgically.

Martinez's 8, Orioles 6: Dave Valle, with a single and a double, drove to two runs as Seattle, playing at home, built an 8-2 lead in four innings and handed

Baltimore its seventh straight defeat in a tense game that appeared to carry over harsh feelings arising from a brawl in June.

The Orioles' losing streak is their longest since an eight-game slide from July 19-27, 1989.

The last time the teams played was June 6, when their 20-minute brawl resulted in seven suspensions. A fight didn't break out this time, but plate umpire Greg Koss warned the Orioles' starter, Rick Sutcliffe, and both benches after Sutcliffe hit Bret Boone on his left arm with a pitch in the first.

In the seventh, the Orioles' Mark Parner lowered his shoulder and threw an elbow at the Mariner's starter, Dave Fleming, after being trapped off third base on a fielder's choice ground out.

Athletics 4, Brewers 1: Rookie Todd Van Poppel held visiting Milwaukee to two hits in 6½ innings to win his fourth straight start as Oakland stopped a four-game losing streak.

Tigers 7, Angels 2: Alan Trammell, Mickey Tetlow and Chris Gomez singled in runs early in the game in California, and Detroit's Bill Guletski held on despite allowed two more homers, increasing his total to 19.

Mets 6, Reds 2: To the day's only National League game, Sid Fernandez got his first victory in four months by pitching 7½ solid innings and singing home New York's go-ahead run in Cincinnati.

New York scored four runs in an error-filled seventh to hand the Reds their season-high seventh straight loss.

49ers' Bono Latest Hurt

The San Francisco 49ers have early run out of quarterbacks.

What once was the National Football League's deepest quarterback corps was reduced to one, Elvis Grbac, but he was sufficient as the 49ers beat the Denver Broncos, 16-13, Monday night.

Grbac engineered two second-half scoring drives after backup Steve Bono's left shoulder was separated late in the first half. Bono will undergo surgery and be sidelined five to eight weeks.

The 49ers, who let Joe Montana go to Kansas City between seasons, already were without starter Steve Young, who has a fractured left thumb but hopes to return for the season opener. And Bill Musgrave, did not suit up because of sore ribs.

Redskins — Tackle Jim Lachey, the three-time All-Pro who was the anchor of Washington's offensive line, was diagnosed as having a completely torn anterior cruciate ligament in his left knee that will likely sideline him for the entire season.

Bengals — Wide receiver Mark Duper, 34, a three-time Pro Bowl selection signed last month when Miami waived him after 11 seasons, was released by Cincinnati.

Breacmers — End Eric Curry signed a contract that reportedly makes him the NFL's highest-paid defensive tackle after a 22-day holdout. Terms were not released, but the pact was believed to be worth slightly more than the deals Marvin Jones and John Copeland — the defensive players drafted ahead of Curry — received from the New York Jets and Cincinnati Bengals.

SCOREBOARD

BASEBALL

Major League Standings				
AMERICAN LEAGUE				
East Division				
Team	W	L	Pct.	GB
Toronto	48	51	.487	—
New York	48	51	.487	—
Boston	44	53	.452	3 1/2
Baltimore	43	56	.434	6 1/2
Detroit	41	60	.404	9 1/2
Cleveland	35	66	.348	15 1/2
Milwaukee	48	70	.407	20
West Division				
Team	W	L	Pct.	GB
Chicago	44	53	.452	—
Kansas City	40	57	.413	4
Seattle	38	60	.387	7 1/2
Los Angeles	34	64	.344	11 1/2
California	32	63	.338	13 1/2
Oakland	48	68	.414	15 1/2
NATIONAL LEAGUE				
East Division				
Team	W	L	Pct.	GB
Philadelphia	71	43	.619	—
St. Louis	64	58	.525	7 1/2
Chicago	59	59	.500	12 1/2
Pittsburgh	54	65	.450	17 1/2
Florida	51	62	.449	20 1/2
New York	41	72	.362	30
West Division				
Team	W	L	Pct.	GB
San Francisco	71	49	.589	—
Atlanta	71	47	.599	—
Houston	61	57	.517	10 1/2
Los Angeles	59	58	.508	12 1/2
Cincinnati	59	62	.487	13 1/2
San Diego	48	73	.398	24 1/2
Colorado	42	73	.364	30
Monday's Line Scores				
AMERICAN LEAGUE				
Toronto	300	809	10-1	1
Cleveland	300	809	10-1	0
Seattle	300	809	10-1	0
Los Angeles	300	809	10-1	0
Chicago	300	809	10-1	0
San Francisco	300	809	10-1	0
Atlanta	300	809	10-1	0
Houston	300	809	10-1	0
Los Angeles	300	809	10-1	0
Cincinnati	300	809	10-1	0
San Diego	300	809	10-1	0
Colorado	300	809	10-1	0
NATIONAL LEAGUE				
Philadelphia	300	809	10-1	0
St. Louis	300	809	10-1	0
Chicago	300	809	10-1	0
Pittsburgh	300	809	10-1	0
Florida	300	809	10-1	0
New York	300	809	10-1	0
San Francisco	300	809	10-1	0
Atlanta	300	809	10-1	0
Houston	300	809	10-1	0
Los Angeles	300	809	10-1	0
Cincinnati	300	809	10-1	0
San Diego	300	809	10-1	0
Colorado	300	809	10-1	0

Japanese Leagues

Central League				
Team	W	L	Pct.	GB
Yokohama	32	37	.463	—
Chunichi	42	49	.461	—
Yomiuri	45	46	.495	—
Hiroshima	40	41	.494	—
Hanjin	40	42	.488	—
Yokoyama	40	51	.440	—
Pacific League				
Team	W	L	Pct.	GB
Seibu	24	31	.434	—
Nippon Ham	24	36	.396	—
Orix	24	37	.393	—
Chiba	41	41	.500	—
Deie	35	47	.427	—
Lotte	32	35	.476	—
Tuesday's Results				
Hiroshima vs. Yomiuri	ppd.	rain		
Hanjin vs. Yokoyama	ppd.	rain		
Chunichi vs. Yokoyama	ppd.	rain		
Monday's Line Scores				
AMERICAN LEAGUE				
Toronto	300	809	10-1	1
Cleveland	300	809	10-1	0
Seattle	300	809	10-1	0
Los Angeles	300	809	10-1	0
Chicago	300	809	10-1	0
San Francisco	300	809	10-1	0
Atlanta	300	809	10-1	0
Houston	300	809	10-1	0
Los Angeles	300	809	10-1	0
Cincinnati	300	809	10-1	0
San Diego	300	809	10-1	0
Colorado	300	809	10-1	0
NATIONAL LEAGUE				
Philadelphia	300	809	10-1	0
St. Louis	300	809	10-1	0
Chicago	300	809	10-1	0
Pittsburgh	300	809	10-1	0
Florida	300	809	10-1	0
New York	300	809	10-1	0
San Francisco	300	809	10-1	0
Atlanta	300	809	10-1	0
Houston	300	809	10-1	0
Los Angeles	300	809	10-1	0
Cincinnati	300	809	10-1	0
San Diego	300	809	10-1	0
Colorado	300	809	10-1	0

ATHLETICS

ATLANTA OLYMPIC CHAMPIONSHIPS
In Stuttgart

MEN'S OLYMPIC FINAL

1. Lorenz, Germany, 67.2 meters
2. Dittus, West Germany, 66.8
3. Jürgen Schulz, Germany, 64.12
4. Ramon Llombart, Lithuania, 62.54
5. Taneli Pihlaja, Finland, 62.54
6. Viktor Streltsov, Ukraine, 62.2
7. Nick Swanwell, Ireland, 61.64
8. Nikifor Kopylov, Belarus, 61.26
9. Mike Burck, U.S., 61.14
10. Luis Davis, Cuba, 60.78

WOMEN'S 800-METER FINAL

1. Jessica Hahn, Germany, 2:12.2
2. Nicholas Kolos-Brown, United States, 2:17
3. Sonja Richardson, Jamaica, 2:14
4. Tatyana Alekseyeva, Russia, 2:12.2
5. Kirsten Westberg, Colombia, 2:17
6. Soledad Rivera, Spain, 2:12.2
7. Juliet Campbell, Jamaica, 2:14
8. Tatyana Leshchenko, Ukraine, 2:12.2

MEN'S 400-METER FINAL

1. Michael Johnson, U.S., 47.48 seconds
2. Bruce Brannen, United States, 44.11
3. Stephen Kelly, Kenya, 44.54
4. Quincy Watts, United States, 45.35
5. Sunday Bada, Nigeria, 45.11
6. Michael Grant, South Africa, 45.63
7. Stephen Kemboi, Kenya, 45.48
8. Kennedy Ochieng, Kenya, 45.48

WOMEN'S 200-METER FINAL

1. Lyubov Gurina, Russia, 2:17.18
2. Erika Kovacs, Romania, 2:15.22
3. Diane Modest, France, 2:19.42
4. Meredith Rainey, United States, 2:19.57
5. Li Lu, China, 2:18.45
6. Tera Paulina, Azerbaijan, 2:17.39

MEN'S 50-METER FINAL

1. Paul Robb, Kenya, 1 minute 42.7 seconds
2. Omerosa, Kenya, 1:43.1
3. Billy Kamochi, Kenya, 1:43.69
4. Curtis Robb, Britain, 1:43.54
5. Michael Grant, South Africa, 1:43.54
6. Freddie Williams, Canada, 1:43.77
7. William Yamo, Kenya, 1:43.89
8. Tom Kitchin, Britain, 1:43.77

SOCCER

CUP WINNERS CUP
Preliminary Round, First Leg
Dundee United (Scotland) vs. Hibernian (Scotland) (7:30 p.m.)

ENGLISH PREMIER LEAGUE
Tottenham vs. Arsenal 1

DENNIS THE MENACE



PEANUTS



BLONDIE



BETLE BAILEY



DOONESBURY



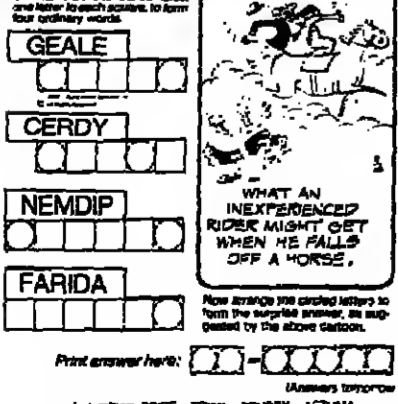
WIZARD OF ID



REX MORGAN



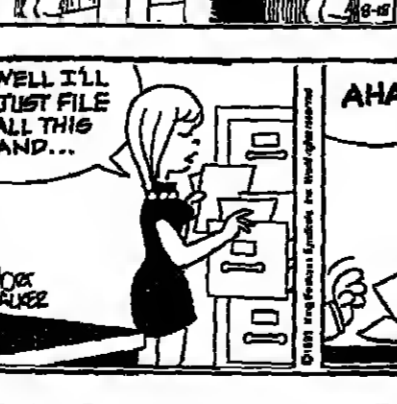
JUMBLES



WIZARD OF ID



REX MORGAN



GARFIELD



WIZARD OF ID



REX MORGAN



GARFIELD



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SPORTS ATHLETICS

For Reynolds and Konchellah, Victories Even in Their Defeats

By Ian Thomsen
International Herald Tribune
STUTTGART — Crouching in the outdoors of lane No. 7 was Burt Reynolds...

he and a runner from Kenya, in a different race, were attempting to trim a few hundredths of a second from a deficit they measure in years.

Reynolds believes he is something of a political victim. The Kenyan, Billy Konchellah, thinks people simply have the wrong idea. A lot of them think I just show up, he says.

not being able to breathe. He was examined for more than a year without relief. He says the doctors were certain he had malaria or another tropical disease.

wide, hovering outside the pack. Down the final stretch he was in the third passing lane, where the Ferraris flash their lights at you.

he stood. Approaching the second turn he could see the Nigerian, Sunday Bada, coming up on his left shoulder.

Fourth was Watts, in 45.05 seconds, after the sole appeared to come loose from his shoe. Third was Samson Kijur of Kenya in 44.54, while Johnson ran the year's best time of 43.65.

"I'm happy with my time," he would say a few minutes later. His time was 44.13 seconds, faster than he might have thought a couple of years ago.

New Doubts Are Cast on Tapie's Alibi

Compiled by Our Staff From Dispatches
LILLE, France — Judicial officials on Tuesday detained the chief of staff of Jacques Mellick, the member of parliament who has become a key figure in the Olympique Marseille bribery case...

Joyner-Kersey Runs Down Braun in 800, Wins Heptathlon

Compiled by Our Staff From Dispatches
STUTTGART — Jackie Joyner-Kersey won the heptathlon title Tuesday at the World Athletic Championships by finishing ahead of Sabine Braun of Germany in the last event, the 800-meter race.



Jackie Joyner-Kersey fared badly in the javelin, falling seven points behind Sabine Braun with only the 800 to go.

Miles trailed Tatiana Alekseyeva of Russia with 50 meters to go but put in a strong finishing kick to finish in 49.82 seconds, the best time of the season.

Two officers on patrol in Kensington, west London, heard a car window being smashed and challenged a man and a woman, who ran off, the police said.

UEFA, Looking Eastward, Should Heal Itself

International Herald Tribune
LONDON — Can soccer do for Eastern Europe what the West's commercial and political leaders shrunk from? The Union of European Football Associations (UEFA) intends to try.

than coaching which, ironically, often was imported from Eastern Europe. With Coca Cola funding and Adidas equipment, both coming from self-interested investors, the Africans developed idiosyncratic management of their own.

With our beloved freedom to bankrupt ourselves, neither UEFA nor FIFA has been able to drum economic sense into the clubs. Barcelona FC, for example, has followed the Italian example of buying superfluous players.

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SIDELINES

French Youth Wins Cycling Title
HARAR, Norway (Reuters) — French teenager Florian Rousseau took the world's top kilometer specialist Tuesday by winning the first gold of the world track cycling championships...

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Quotable

Pain, however, which owns a pizza in Frankfurt, Indiana, on the hype surrounding the filming of the movie "Blue Chips"...

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OBSERVER

Meteoric Mood Swings

By Russell Baker

NEW YORK — Afterward it was said that the extraordinary meteor shower of Aug. 11-12 must have had something to do with it. Such fundamental reversals in human nature do not "just happen," but can result only from extraterrestrial influences.

Whatever the cause, the first development in the good-feeling movement occurred, oddly enough, on a Friday the 13th, a day famous for bad luck. On this date, 119 newspaper columnists simultaneously decided not to suggest that the Clinton administration was covering up dark and terrible secrets behind the apparent suicide of a White House staff assistant.

Years later a spokesperson for the American Newspaper Columnists Association said an ANCA study was still inconclusive about "what came over" the industry that day. Of the 119 columnists who had made the historic decision, only one was still alive when the study was made. The columnist said:

"Yeah, I figured there might be some dark and terrible secret hidden away there, but gee, the whole country was already depressed enough, so what was the point of piling on the dark-terrible-secret stuff until we got something solid to go on?"

What is amazing in this survivor's statement is his confession that he thought "the whole country was already depressed enough." This state of mind had previously been unheard of in an industry that thrived in those days on the belief that the whole country could never possibly be depressed enough.

Naturally, the fact that 119 newspaper columnists aimed at deepening the national depression were not written that day went entirely unnoticed.

Next Monday, however, Rush Limbaugh stunned the nation. That day he announced he would accept no phone calls from persons eager to abuse President Clinton, feminists or even liberals.

"That kind of stuff," he told his vast radio audience, "just makes everybody feel bad-tempered, paranoid and rotten. America, God bless her, already feels more bad-tempered, paranoid and rotten than can possibly be good for the

last great hope of personkind. It's time to start feeling good again."

Then at week's end came Ross Perot's historic move. No longer would he continue to badger President Clinton about not reducing the deficit, Perot announced. "I have said I could persuade the American people to accept a 50-cent gasoline tax that would start cutting the deficit right away, and that's what I'm going to do. It's time to get under the hood and put this country back together so we can all quit feeling rotten and feel good again," he announced.

Within 10 days Perot had millions of Americans swamping the Congress with demands for a 50-cent gasoline tax. And more! All over America ordinary taxpayers were saying the 50-cent gasoline tax just wasn't high enough.

They were phoning call-in radio shows and Congress to say that reducing the deficit's growth rate wasn't going to help the country. The deficit itself had to be cut, then eliminated. To do this, they said, they would all have to pay higher income taxes and give up many of their almost free services.

Bob Dole, the Senate Republican leader, already had congressional Republicans lined up unanimously behind a program for total deficit elimination through higher taxes and fewer federal boons. Dole's gesture followed Clinton's famous "sackcloth-and-ashes" meeting with congressional Republicans. The president, actually garbed in sackcloth and ashes, stood on his knees on the Capitol steps and told the Republicans he had been foolishly partisan in not asking them what policies to pursue to make Americans stop feeling rotten.

He went on to confess that he had behaved pretty amateurishly since winning election. Therefore, he said, he was changing the makeup of the White House staff. Henceforth only one-third of it would be Arkansas Democrats. Dole would appoint another third, and the press would provide a third.

America lived happily ever after and never felt rotten again.

By John Rockwell
New York Times Service

Bayreuth Offstage: Another Nasty Twilight

BAYREUTH, Germany — In dead earnest, the participants compare it to the House of Atreus or, closer to home, Wotan and his extended family of Germanic gods. The less reverential might invoke "Dallas" or a typical afternoon with Oprah Winfrey.

Either way, the family squabbles among the heirs of Richard Wagner over who will next run the Bayreuth Festival are complex and bitter. They have led to a situation in which no one — not even the current chief, Wolfgang Wagner, who turns 74 soon — has any real idea what will happen next.

It was Richard Wagner who built the Bayreuth Festspielhaus and opened the first festival in 1876, as an annual shrine devoted to his works. He ran the festival until his death in 1883 and was succeeded by his wife, Cosima, and his son, Siegfried, both of whom died in 1930. Winifred, Siegfried's English-born widow, ran Bayreuth from 1930 to 1944. She was (and, at 96, still is) a great admirer of Hitler and was barred by the Allies from having anything to do with the festival.

Now, depending on how you count, Wolfgang Wagner's only surviving grandson, his run Bayreuth for anywhere between 27 and 48 years. He took over planning for the festival's postwar reopening with Winifred, his mother, and Wieland, his older brother, in 1945, as soon as the Germans capitulated. Wieland (as artistic director) and Wolfgang (as administrative director) ran Bayreuth jointly from its reopening in 1951 to Wieland's death from cancer in 1966. Since then, Wolfgang has ruled the Bayreuth roost alone.

By his autocratic behavior, he has alienated one of his sisters, Friedehild, who fled Nazi Germany as a young woman and did anti-Nazi propaganda for the Allies. Worse, he is also estranged from nearly every member of the next generation, men and women in their 40s and 50s.

"Bayreuth should not be a training ground for Wagner great-grandchildren," Wolfgang once growled, forgetting that he and his brother were themselves trained here in just the way he now denies his own children, nephew and niece. What these outcasts most fear is the "Cosima scenario." They speculate that Wolfgang is plotting to install his second wife, Gudrun Mack Wagner, 49, a former Bayreuth press representative, as his successor. The purported tactic is named after Cosima because Richard Wagner installed his second wife, Cosima, as his successor.

By consensus, there are four leading contenders for the Bayreuth throne from the next generation:

- Wolf Siegfried, 50, Wieland's son and a sometime opera stage director.
- Nike, 48, a daughter of Wieland's and a scholar who has written books on the caustic author Karl Kraus and the eroticism of the turn-of-the-century Viennese artistic scene, as well as a forthcoming history of Bayreuth.
- Eva, 48, Wolfgang's daughter from his first marriage and an experienced opera administrator, who was most recently fired from the tumultuous Basille Opera in Paris.
- Gottfried, 46, Eva's brother, the author of a book on Kurt Weill and a lecturer on musical subjects.

Relations seem to be most bitter between Wolfgang and his son, Gottfried. He has taken to denouncing his father's history of anti-Semitism, most prominently on a visit to Israel — this despite the fact that the two most prominent conductors at Bayreuth today are James Levine and Daniel Barenboim. Wolfgang, calling it shameful to stigmatize the



Amid "Parsifal" props, the autocrat of Bayreuth: Wolfgang Wagner, grandson of Richard Wagner.

conductors as "alibi Jews," banned Gottfried from Bayreuth in 1990. "Henceforth, both in Bayreuth and elsewhere," he wrote by fax, "an absolute distance between you and me must be maintained."

Wolfgang also banned Wolf Siegfried from Bayreuth in 1986, in response to disparaging remarks about Wolfgang's skills as a director and designer.

Eva fell afoul of her father by siding with her mother after their divorce, in 1976. Whether tactfully or tactlessly, she chooses not to speak about family matters to outsiders.

As for Nike, Wolfgang, ever the patriarch, reportedly disapproves of her bohemian lifestyle. She and her two sisters attended the opening "Tristan" but fled the next day. Nike concedes that by many measures Wolfgang has

been a good *Hausvater*, or manager, and that the family battles are by now more personal than ideological.

Technically, neither Wolfgang nor any other family member can determine the Bayreuth succession. In 1973, the Bayreuth Festival was incorporated, and its assets were turned over to the Richard Wagner Foundation. The foundation is empowered to choose the next director of the festival, a post Wolfgang holds for life.

Wolfgang, who says that his "best wish would be to die at full working strength," brushes aside questions about succession. "Nothing makes a certain section of the press happier than to report about small problems," he complained. "Everything to prepare for the future in general terms has already been done, through the establishment of the foundation."

PEOPLE

A September Wedding For John Jr. and Duryl?

John F. Kennedy Jr., the son of the late president, will wed actress Duryl Hanish, possibly as early as next month, said The New York Daily News. Citing sources close to the Kennedy family, the paper said that Jacqueline Kennedy Onassis was beginning wedding preparations and the wedding could take place as early as Sept. 11. It said that the couple reportedly obtained a marriage license in California.

Lawyers acting for Princess Diana denied that she was seeking an early divorce from her estranged husband Prince Charles on the grounds that their physical relationship ended more than six years ago. London solicitors took the unusual step of issuing a statement to reject a report in a Sunday newspaper claiming the 32-year-old princess wanted to end the marriage.

Oprah Winfrey completed a 13-mile mini-marathon in San Diego in a respectable 2 hours, 16 minutes and 3 seconds. Winfrey, who said that she has lost 50 pounds (22 kilos) in training over the last five months, entered the race under the pseudonym Bobbi Jo Jenkins, but looked suspiciously unlike an everyday jogger. Her retinue included a personal trainer, bodyguard and a television crew.

Michael Jackson will play two concerts in South Africa at the end of September, according to the Johannesburg Star, which said the singer would give shows in Johannesburg on Sept. 30 and Oct. 1 as part of his world tour. He would follow in the footsteps of Paul Simon, who toured South Africa in 1991 after saying the country had emerged from its international isolation caused by apartheid.

Pierre Salinger, former press secretary for Presidents Kennedy and Johnson and a foreign correspondent for ABC, is joining Burso-Marsteller, a public relations firm. He will be based in Washington.

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Appears on Pages 4 & 8

WEATHER

Weather forecast section including tables for Europe, Asia, Africa, Latin America, and Oceania, with a map of Europe and a forecast for Thursday through Saturday.

CROSSWORD

Crossword puzzle section with clues for Across and Down, and a solution to the puzzle of Aug. 17.

If you're going to travel all over the map, here's how to call from almost any point on it.

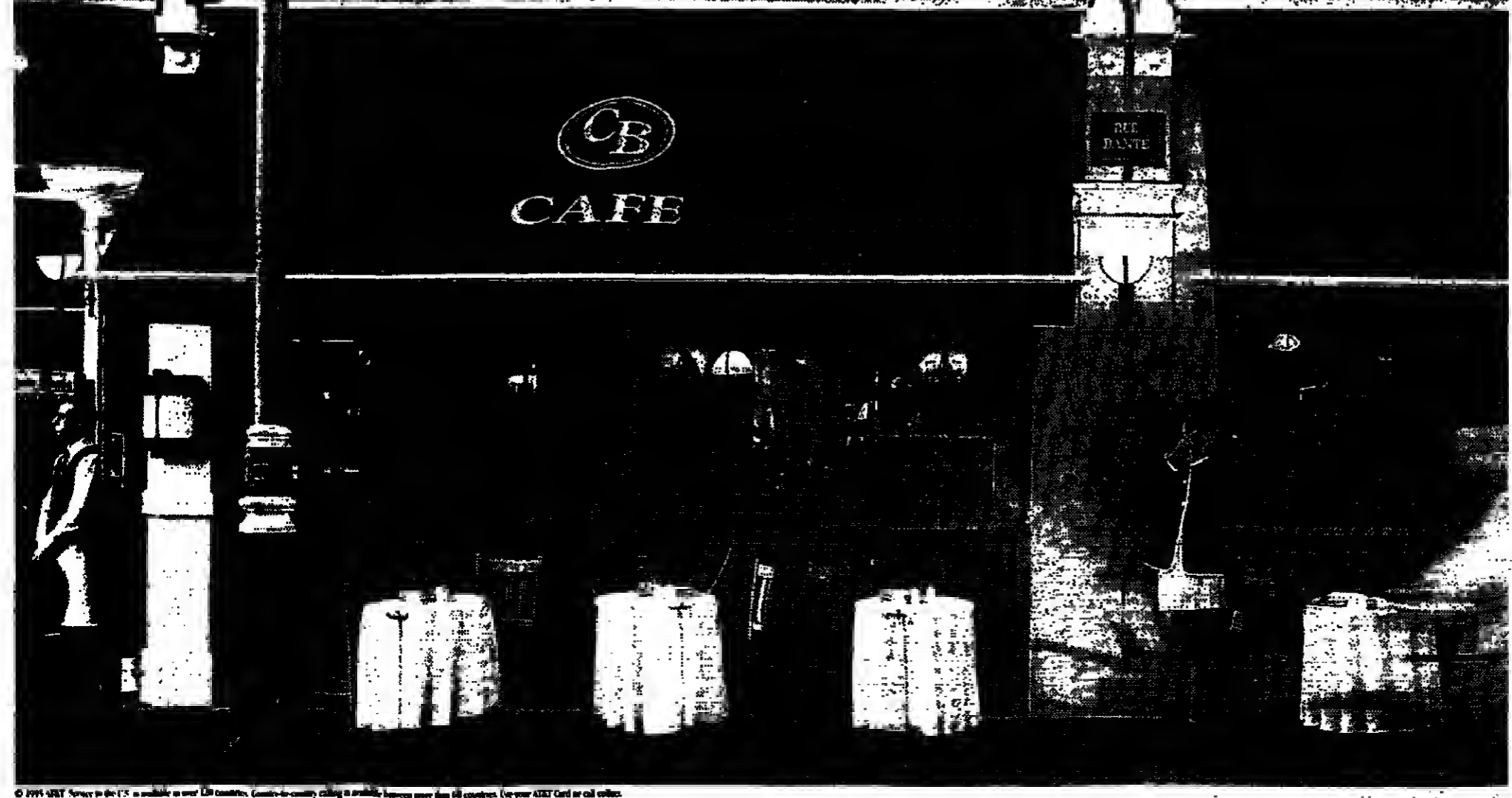


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